ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2021

Prepared by:

Business Services Department

City of Mansfield, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2021

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION (unaudited)	
Letter of Transmittal	3
GFOA Certificate of Achievement	8
Organizational Chart	9
Principal Officers	10
FINANCIAL SECTION	
Independent Auditors' Report	11
Management's Discussion and Analysis (unaudited)	14
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements:	
Balance Sheet – Governmental Funds	30
Statement of Revenues, Expenditures, and Changes in Fund Balances	31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Statement of Net Position – Proprietary Funds	33
Statement of Revenues, Expenses, and Changes in Fund Net Position– Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds	35
Statement of Fiduciary Net Position – Fiduciary Funds	36
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	37
Notes to Financial Statements	38
Required Supplementary Information (unaudited):	
Schedule of Changes in Net Pension Liability and Related Ratios Schedule	87
of Contributions Net Pension Liability	88
Schedule of Changes in Total OPEB - Liability and Related Ratios - SDBF	90
Schedule of Contributions - SDBF	90
Notes to Schedule of Contributions - SDBF	91
Schedule of Changes in City's Net OPEB Liability and Related Ratios	93
Schedule of Contributions Net OPEB Liability	94
Schedule of Investment Returns – OPEB	95
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	96
Notes to Required Supplementary Information – General Fund	97
Supplementary Information –Non-major Governmental Funds	98
Combining Balance Sheet – Non-major Governmental Funds	99
Combining Statement of Revenues, Expenditures, and Changes in Fund	

Balances – Non-major Governmental Funds 100
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:
Debt Service Fund 101
Mansfield Parks Facilities Development Corporation Debt Service Fund 102
Balance Sheet – Mansfield Economic Development Corporation 104
Statement of Revenues, Expenditures, and Changes in Fund Balances Mansfield Economic Development Corporation. 105
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Mansfield Economic Development Corporation to the Statement of Activities 106

STATISTICAL SECTION (unaudited)

Net Position by Component 108
Changes in Net Position of Governmental and Business-Type Activities 109
Governmental Activities Tax Revenue by Source 111
Fund Balances of Governmental Funds 112
Changes in Fund Balances of Governmental Funds 113
General Government Tax Revenue by Source 114
Assessed Value and Estimated Actual Value of Taxable Property 115
Property Tax Rates – Direct and Overlapping Governments 116
Principal Property Taxpayers 117
Property Tax Levies and Collections 118
Ratios of Outstanding Debt by Type 119
Ratios of General Bonded Debt Outstanding 120
Direct and Overlapping Governmental Activities Debt 121
Legal Debt Margin Information 122
Pledged-Revenue Coverage 123
Demographic and Economic Statistics 124
Principal Employers 125
Full-Time Equivalent City Government Employees by Function 126
Operating Indicators by Function 127

FEDERAL FINANCIAL ASSISTANCE

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 131
Independent Auditor's Report on Compliance for Each Major Programs And Reports on Internal Control Over Compliance Required by the Uniform Guidance 133
Schedule of Expenditures of Federal Awards 135
Schedule of Findings and Questioned Costs 137
Summary Schedule of Prior Audit Findings 140

1200 E. Broad Street
Mansfield, Texas 76063
817-276-4200

March 17, 2022

To the Honorable Mayor,
Members of City Council, and
Citizens of the City of Mansfield, Texas

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Mansfield, Texas (the City) for the fiscal year ended September 30, 2021.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by BKD, LLP, a firm of licensed certified public accountants. The purpose of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended September 30, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City, incorporated in 1890, is located in the southeastern portion of Tarrant County, with small areas of the City extending into Johnson and Ellis counties, and is considered to be one of the top growth areas in the Dallas/Fort Worth Metropolitan Area (Metroplex). The City currently occupies a land area of 36.69 square miles and serves an approximate population of 75,411. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City is a home rule-city and operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a nonpartisan, at-large basis. Council members serve three-year staggered terms so that at least two members are elected every year. The Mayor and each Council member, unless sooner removed under the provisions of the City Charter, hold office until a qualified successor is elected. Regular terms of office commence at the beginning of the first regular meeting of the Council in May or following the final election as provided in Section 4.05 (Charter Amendment of August 11, 1979).

This report includes all funds of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets, traffic engineering, and infrastructure; planning and zoning; general administrative services; water treatment and distribution; sewer service; drainage enhancements and improvements; and recreational and cultural activities. In addition to general government activities, the Mansfield Park Facilities Development Corporation and the Mansfield Economic Development Corporation are required to be included in the City's reporting entity. For additional information, see note I. A. of the notes to financial statements.

The annual budget serves as the foundation for the City's financial planning, financial policies, and financial control. All agencies of the City are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review prior to September 1. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 15. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). However, the statutory authority or legal level of control for the authority of annual expenditures is appropriated at the fund level by the City Council. Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the governing council, if requested by the City Council. Budget- to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 96 as part of the required supplementary information. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules section, which starts on page 100.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The City currently enjoys a favorable economic environment and local indicators point to continued stability even though the national economy has been struggling from the pandemic. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. The current unemployment rate is below the national average.

Industry

Mansfield has a large industrial area within the City with rail service and adequate water storage to meet fire protection and other demands. The City is not financially dependent upon any one industry or type of industry. See page 117 in the Statistical Section for further information on principal taxpayers. The City recognizes the value of industry to its economic base and continues to seek industry that will be beneficial to the City. Beginning in fiscal year (FY) 1997, the Mansfield Economic Development Corporation, funded by a 1/2 cent sales tax, provides funds for economic development, including financial incentives, infrastructure needs, and tax relief through the City in the recruitment and retention of industry. Recent accomplishments in locating and expanding major businesses such as Texas Health Resources hospital, AMC warehouse, Mouser Electronics, Klein Tools and Hoffman Cabinets are indicative of the accomplishments of the economic development program.

Transportation

The City is traversed east and west by U.S. Highway 287, and north and south by State Highway 360. The City has direct access to Interstate Highway 20 and Interstate Highway 30. Railroad freight service is provided by Union Pacific Railroad. The City is located approximately 30 miles south of the Dallas/Fort Worth International Airport.

Education

The City is served by the Mansfield Independent School District which consists of one pre-kindergarten academy; 24 elementary schools with grades kindergarten through 4; one early learners accademy pre-kindergarten; seven intermediate schools with grades 5 and 6; two STEM Academy, seven middle schools for grades 7 and 8; five high schools with grades 9 through 12; one career & technology academy; one early college high school and one alternative campus. Enrollment for the 2020/2021 school year was approximately 35,524. Colleges within close proximity to the City are Tarrant and Dallas County Community Colleges, Southern Methodist University, Dallas Baptist University, University of Dallas, University of North Texas, Texas Women's University, University of Texas at Dallas, University of Texas at Arlington, and Texas Christian University, all of which are well known for their educational standards. The City is now home to Texas Tech University Health Sciences Center School of Nursing satellite campus.

Medical Services

Full service medical service is provided by Methodist Health System and Texas Health Hospital Mansfield, and limited-service care is provided by Vencor Hospital and Cook Children's Clinic. Other full-service hospitals in the immediate area include Medical Center of Arlington, Arlington Memorial Hospital, Hughley Memorial Medical Center, Harris Methodist Hospital, Cook Children's, and John Peter Smith Hospital.

Area Economic Condition

Mansfield, located in the Dallas/Fort Worth Metroplex, and included as one of the 13 cities that comprise the Mid-Cities, continues to grow and develop. The overall outlook for Mansfield in the future is positive. The City is traversed by State Highway 360 and U.S. Highway 287.

The major benefits to the City of State Highway 360 are as follows: direct north and south access to the Dallas/Fort Worth International Airport in 20 minutes; the potential of expanding the City's commercial/industrial and residential developments along the corridor of State Highway 360, as well as the numerous industrial parks located within the close proximity of State Highway 360 and U.S. Highway 287 intersection.

Over the past several years, the City and the local economy have experienced increasing property values and sales tax revenues. Current real estate values are trending upward, and the City is continuing to experience positive growth in residential, industrial, and commercial properties.

Long-Term Financial Planning

The City of Mansfield, Texas has a long-term financial plan that includes ten years of projected financial data. The plan is intended to guide management in the daily decisions of managing the City's business matters and long-term capital projects. The plan assembles the visions of City Council, Management and City Staff, into a working plan that allows the vision of the City to be implemented over the course of time. The plan includes variables that allow for current and projected economic factors including:

- Review population growth projections
- Identify potential high-growth areas
- Specify major infrastructure improvements
- Analyze the financial impact of the improvements
- Comprehensive planning documents, Land Use Plan, Thoroughfare Plan, Water & Sewer master plan

The Council adopted the plan in November 2000, and it has been revised, modified, and amended since the original adoption of the plan.

Core Values for the City

City Council and City Management developed the following Core Values for the City:

Awards and Acknowledgments

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual

comprehensive financial report for the fiscal year ended September 30, 2020. This was the 34th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2020. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Joe Smolinski
City Manager

Troy Lestina
Chief Financial Officer

Bryan Rebel
Assistant Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mansfield
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

City of Mansfield, Texas Organizational Chart

CITY OF MANSFIELD, TEXAS

PRINCIPAL OFFICERS

SEPTEMBER 30, 2021

MAYOR

Dr. Michael Evans, Sr.

MAYOR PRO TEM

Todd Tonore

CITY COUNCIL

Mike Leyman
Casey Lewis
Tamera Bounds
Julie Short
Larry Broseh

CITY MANAGER

Joe Smolinski

CHIEF FINANCIAL OFFICER

Troy Lestina

ASSISTANT DIRECTOR OF FINANCE

Bryan Rebel

BKD
CPAs & Advisors

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Independent Auditor's Report

The Honorable Mayor, City Council and City Manager
City of Mansfield, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Mansfield, Texas (City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and pension and other postemployment information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, statistical section, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Mayor, City Council and City Manager
City of Mansfield, Texas

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Dallas, Texas
March 17, 2022

Management's Discussion and Analysis

As management of the City of Mansfield, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The City's net position or assets and deferred outflows less its liabilities and deferred inflows at the close of the City's fiscal year is approximately $582 million.

- The City recognized approximately $202 million in revenue from various sources of taxes, services, and capital contributions and recognized approximately $133 million in expenses in servicing the City's governmental and business enterprises.

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of approximately $95 million. Approximately 28% of this $95 million is available for spending at the City's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the general fund was approximately $27 million or 38% of total general fund expenditures.

- The City and MEDC's total debt obligations (excluding premiums and discounts) decreased by $9.36 million (3.85%) during the current fiscal year. This is from approximately $16.525 million in new bond proceeds offset by $25.885 million in scheduled principal payments and payments to escrow agents during the year. The key factors affecting the City's debt position are as follows:

  Certificates of Obligation of $2.2 million for the purpose of joint fire/police training facility construction.

  Certificates of Obligation of $2.68 million for the purpose of police station construction.

  Certificates of Obligation of $.24 million for the purpose of restoring a historical building.

  Certificates of Obligation of $2.88 million for the purpose of Katherine Rose Memorial Park and Gertie Barrett Park improvements.

  Certificates of Obligation of $0.72 million for the purpose of library modification.

  Certificates of Obligation of $0.38 million for the purpose of equipment replacement.

  Waterworks and Sewer Revenue Refunding of $7.425 million for the purpose of refunding 2009-2011 bonds.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on the City's assets and deferred outflows of resources less liabilities and deferred inflows of resources as the City's net financial position, or remaining net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include a Water and Sewer Fund, Law Enforcement Center Fund, and Drainage Utility Fund.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Mansfield Economic Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Mansfield Parks Facilities Development Corporation, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government. The City has two Tax Increment Financing Reinvestment Zones (TIRZs), both legally separate entities, which are geographically defined regions within the City limits established by the City. The purpose of the reinvestment zones are to pay for the public's infrastructure to be owned by the City within the region. The TIRZs are an integral part of the primary government. The City has a public improvement district - South Pointe Public Improvement District. The City established the public improvement district for the purpose of maintaining public improvements on approximately 873 acres in the TIRZ number one area. An annual assessment will fund the public improvement district.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the street construction fund, the building construction fund, Mansfield Parks Facility Development Corporation, and the TIRZ Fund Number 1, all of which are considered to be major funds. Data from the other 6 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

Proprietary Funds

The City maintains three different proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, LEC, and Drainage Utility Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Drainage Utility Fund, each of which are considered to be major funds of the City.

The City decided to close the Law Enforcement Center (LEC) during the year ended September 30, 2021. The City decided it was in its best interest to operate the LEC as a municipal jail to save money after the loss of a contract. All operations were transferred to the General Fund.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

The City adopts an annual appropriated budget for its general fund and both debt service funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget. In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by $582,376,078 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (92.13%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other	$ 115,965,633	$ 98,313,491	$ 48,845,843	$ 48,466,483	$ 164,811,476	$ 146,779,974
Capital	483,749,129	453,053,593	232,038,102	222,046,603	715,787,231	675,100,196
Total assets	599,714,762	551,367,084	280,883,945	270,513,086	880,598,707	821,880,170
Deferred outflows:	14,281,116	18,641,654	3,971,606	6,146,241	18,252,722	24,787,895
Liabilities:						
Long-Term	233,656,425	263,028,465	38,145,246	50,732,461	271,801,671	313,760,926
Other	12,325,547	8,393,645	3,438,388	4,288,459	15,763,935	12,682,104
Total liabilities	245,981,972	271,422,110	41,583,634	55,020,920	287,565,606	326,443,030
Deferred inflows:	25,420,164	5,533,448	3,489,581	1,282,270	28,909,745	6,815,718
Net investment in capital assets	331,887,663	291,725,686	204,648,837	186,573,687	536,536,500	478,299,373
Restricted	25,502,832	27,153,749	13,618,642	16,047,528	39,121,474	43,201,277
Unrestricted	(14,796,753)	(25,826,255)	21,514,857	17,734,922	6,718,104	(8,091,333)
Total net position	$ 342,593,742	$ 293,053,180	$ 239,782,336	$ 220,356,137	$ 582,376,078	$ 513,409,317

As of September 30, 2021, a portion of the City's net position, $39,121,474 or (6.72)% represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position of $6,718,104 may be used to meet the government's ongoing obligations to citizens and creditors. Total net position of the City is $582,376,078.

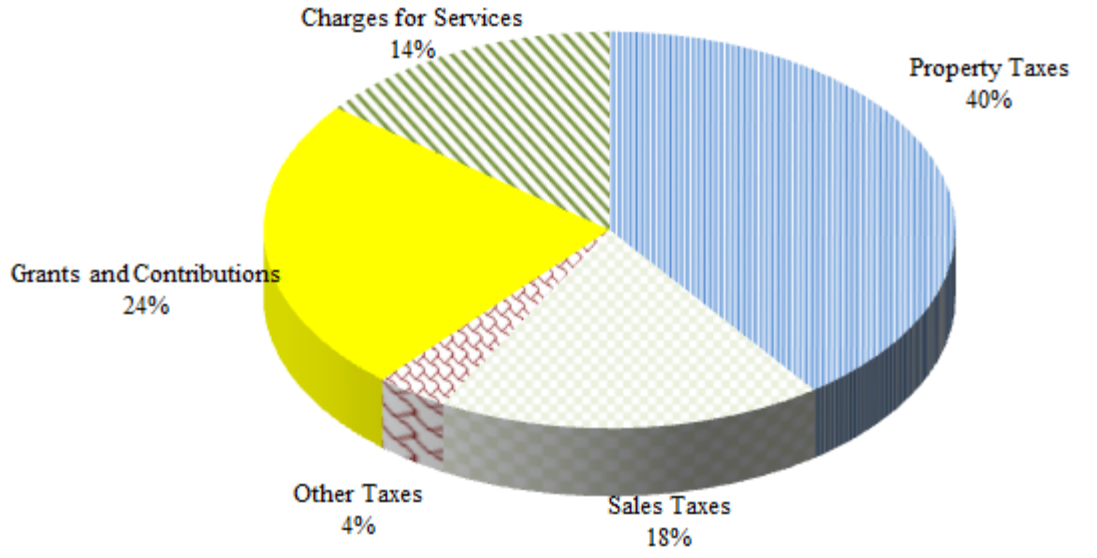
City's Changes in Net Position

	Governmental Activities		Business Activities		Total	
	2021	2020	2021	2020	2021	2020
Beg - Net Position	$ 293,053,180	$ 266,886,890	$ 220,356,137	$ 198,057,887	$ 513,409,317	$ 464,944,777
Revenues	$ 147,072,855	$ 130,600,601	$ 55,352,036	$ 59,198,437	$ 202,424,891	$ 189,799,038
Expenses	100,981,182	103,615,248	32,476,948	37,719,250	133,458,130	141,334,498
Transfers, net	3,448,889	(819,063)	(3,448,889)	819,063	-	-
Net Change in Position	49,540,562	26,166,290	19,426,199	22,298,250	68,966,761	48,464,540
End - Net Position	$ 342,593,742	$ 293,053,180	$ 239,782,336	$ 220,356,137	$ 582,376,078	$ 513,409,317

Governmental Activities

City governmental activity revenue for fiscal year 2021 increased approximately $16 million from fiscal year 2020. Revenues in fiscal year 2020 were $130.6 million compared to this fiscal year revenue of $147.1 million. The largest increase, $9.7 million, was in the capital grants and contributions category related to developers contributions for large developments being constructed in the City. The City had $(0.2) million reduction in property taxes related to a 10% homestead exemption that was adopted by City Council on June 22, 2020.

Governmental Activities - Revenues by Source for fiscal year ending 2021



Expenses in fiscal year 2021 compared to expenses in fiscal year 2020 decreased by (2.54)% or $(2.6) million. The decrease ocurred primarily in public safety as demand for services was unusually high in the prior year due to the on-set of the pandemic. The City also made changes to its retiree health insurance plan which drastically reduced the net OPEB liability. Since most employees are considered public safety, the public safety function saw a substantial decrease in costs associated with the change.

The public works program of the City spends most of its money on street improvements, which are recognized over the course of time through depreciation expense after the improvements have been capitalized. In fiscal 2021, the City recognized $13.2 million in depreciation expense for street-related assets compared to $12.6 in fiscal 2020. Street improvements are expected to last twenty-five years with the appropriate level of maintenance and repair. This year, the City spent over $4.4 million in maintenance and repairs on its 635 plus miles of linear streets. The increase in public works expenditures was related to halting non-critical expenditures to assess the impact of COVID-19 in fiscal year 2020.

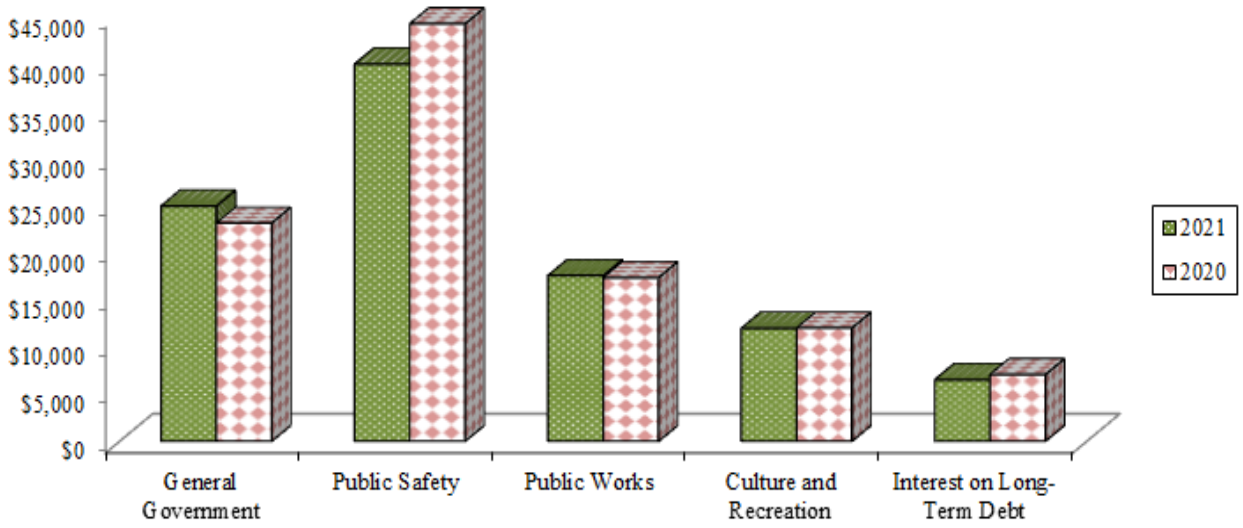
This year the City recognized $6.7 million in interest, amortization and associated issuance costs. Interest expense is the cost the City incurs for borrowing money to make long-term improvements that are generally regarded as long-term assets of the City.

This fiscal year, the Governmental activities increased the City's net position by $49.5 million. The increase in the City net position primarily increased because of an increase in capital contributions from developers constructing infrastructure assets for large developments in the City. The City also had a substantial increase in sales taxes related to new commercial and residential developments that have been completed recently.

City's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES -						
Program Revenues:						
Charges for Services	$ 21,277,139	$ 20,630,815	$ 44,875,807	$ 50,574,870	$ 66,152,946	$ 71,205,685
Operating Grants and Contributions	6,292,049	3,644,625	-	-	6,292,049	3,644,625
Capital Grants and Contributions	29,275,662	19,568,637	10,466,035	8,365,459	39,741,697	27,934,096
General Revenues:						
Property taxes	58,744,441	58,969,473	-	-	58,744,441	58,969,473
Sales taxes	26,205,159	22,552,355	-	-	26,205,159	22,552,355
Other taxes	5,021,549	4,676,401	-	-	5,021,549	4,676,401
Gain on sale of capital assets	81,407					
Other	175,449	558,295	10,194	258,108	185,643	816,403
Total Revenues	147,072,855	130,600,601	55,352,036	59,198,437	202,343,484	189,799,038
EXPENSES -						
General government	24,895,115	23,086,899	-	-	24,895,115	23,086,899
Public safety	39,918,078	44,182,742	-	-	39,918,078	44,182,742
Public works	17,537,246	17,310,005	-	-	17,537,246	17,310,005
Culture and recreation	11,954,562	11,982,897	-	-	11,954,562	11,982,897
Interest on debt	6,676,181	7,052,705	-	-	6,676,181	7,052,705
Water and Sewer	-	-	30,629,217	30,961,628	30,629,217	30,961,628
Law Enforcement	-	-	12,851	5,266,351	12,851	5,266,351
Drainage	-	-	1,834,880	1,491,271	1,834,880	1,491,271
Total Expenses	100,981,182	103,615,248	32,476,948	37,719,250	133,458,130	141,334,498
Before transfers	46,091,673	26,985,353	22,875,088	21,479,187	68,885,354	48,464,540
TRANSFERS, net	3,448,889	(819,063)	(3,448,889)	819,063	-	-
Change in net position	49,540,562	26,166,290	19,426,199	22,298,250	68,885,354	48,464,540
Net Position, Beginning	293,053,180	266,886,890	220,356,137	198,057,887	513,409,317	464,944,777
Net Position, Ending	$ 342,593,742	$ 293,053,180	$ 239,782,336	$ 220,356,137	$ 582,376,078	$ 513,409,317

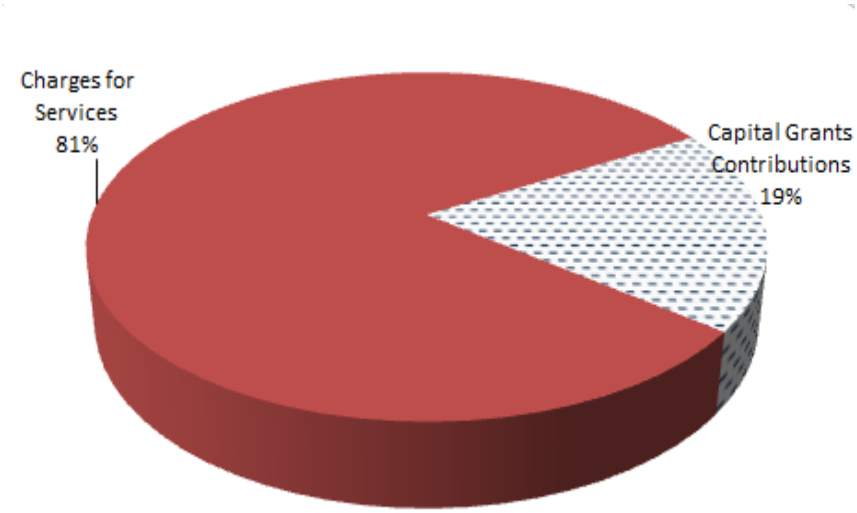
Governmental Activities – Expenses (in thousands)



Business-Type Activities

Revenues exceeded expenses for the City's business-type activities in fiscal year 2021. Total revenues including capital contributions were approximately $55.4 million and total expenses including interest expense were approximately $32.5 million while equity transfers out were approximately $(3.4) million which added approximately $19.4 million to the Business-Type's net financial position. This increased the net position of the business-type activities from approximately $220.4 million to approximately $239.8 million by the end of fiscal year 2021.

Business-Type Activities – Revenues by Source for fiscal year ending 2021



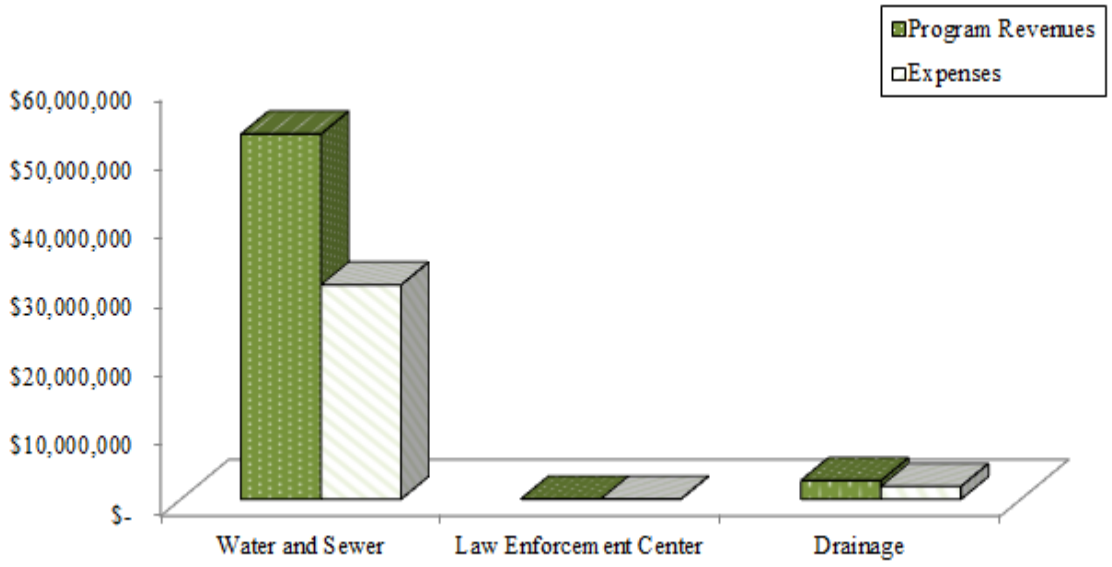
Comparatively, Business-Type Revenues were less than prior year Business-Type Revenues by (6.50)% or $(3.8) million. This decrease is the result of the City closing the Law Enforcement Center during fiscal year 2021. Revenues including capital contributions for fiscal year 2021 were approximately $55.4 million and revenues including capital contributions for fiscal year 2020 were approximately $59.2 million. Expenses including interest for fiscal year 2021 were approximately $32.5 million before equity transfers of approximately $(3.4) million and expenses including interest expense for fiscal year 2020 were approximately $37.7 million before equity transfers of approximately $0.8 million. The increase in net position was primarily the result of the activity of the City's Water & Sewer Fund as the City's other Business-Type Funds, the Drainage Utility Fund, for fiscal year 2021 was 4.27% and the Law Enforcement Center was (5.34)% of the change in the net position.

Capital contributions have been a revenue source for the Business-Type Activities. These capital contributions are from the public improvements donated by developers. The City requires developers to pay for the cost of public improvements or infrastructure needed to support their developments, and in fiscal year 2021, developers contributed public improvements or assets of $10.5 million. These assets are considered revenue in the year of acceptance or in the year of contribution. Generally, these capital contributions are non-cash contributions from developers and are in the form of water and sewer lines which are conveyed to the City as the developer finishes the developments.

The City's Law Enforcement Center charges a fee for the services rendered to support the contracts that the City has with other governmental agencies for the housing of inmates. These fees are recognized as Charges for Services in the Business-Type Activities and are used to pay for the cost of housing inmates in this Business-Type Activity, However, the city has discontinued its operations as a result of discontinued contracts that would have resulted in a loss of revenue without a corresponding reduction of expenses.

The City's Drainage Utility charges a fee for the maintenance and continuance of the drainage improvement program of the City. The City has drainage basins that require extensive maintenance. The fee is used to service the improvement cost, debt service, and annual maintenance of the basins.

Business-Type Activities - Program Revenues and Expenses for fiscal year ending 2021



Financial Analysis of the Government's Funds

As discussed earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $94,533,013, an increase of $11,461,211 in comparison with the prior year. The majority of the increase is from the issuance of bonds and those proceeds have and will be used to construct infrastructure and purchase equipment. Approximately 27.83% or $26,310,236 of the ending fund balance of $94,533,013 constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of fund balance is dedicated for legally specific or defined purposes. To indicate that it is not available for new spending because it has already been committed, assigined, or legally restricted for specific purposes, the City has labeled the remaining fund balances as follows: 1) restricted for debt service or for future construction contracts, $63,579,783, 2) for committed purposes, $4,513,994, such as park improvements, or 3) assigned for city council $84,000 and assigned for future community events, $45,000 , total $129,000 .

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the general fund was $27,393,905. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent approximately 38% of total general fund expenditures for fiscal year 2021.

The City's General Fund unassigned fund balance and fund balance increased $5,206,606 in fiscal year 2021. The key reasons for the increases are as follows:

- Actual revenues exceeded actual expenditures by $2,207,744 in the general fund. The largest revenue increases were related to sales taxes $2,386,407 and licenses and permits $818,227. These increases are the direct result of recently completed and ongoing developments within the City.

- Other sources of revenue included the Water and Sewer Utility Fund's payment in-lieu of taxes to the City's General Fund for the use of the City's right of way. This amount was $2,410,597 in fiscal year 2021.

The debt service fund has a fund balance of $5,365,013, which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was $1,476,092 due to an increase in property tax collections. The City pays for tax-pledged debt through the Debt Service Fund.

The street construction fund balance decreased by $(335,464) during fiscal year 2021. This fund's fund balance decreased as a result of construction payments of $4,109,690 for the improvement of major streets and neighborhood streets in and throughout the City offset somewhat by impact fees. Impact fees are additional revenues paid by developers charged by the City for the impact or costs that new development has on primary streets within the City. The fee generated $3,763,451 in fiscal year 2021.

Fund balance in the building construction fund increased $3,933,360. The fund issued bonds, including premiuns, totaling $9,233,444 and expended $4,998,877 on the construction of Fire Station #5, the Man House Museum renovation, and other public facilities.

The Mansfield Parks Facility Development Corporation (MPFDC) fund balance increased by $4,018,454 during the fiscal year 2021. The fund balance increase is a result of an increase in sales tax revenue.

TIRZ #1 spent $0 for infrastructure improvements in the tax increment reinvestment zone.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to $17,115,463, for the Law Enforcement Center amounted to $0, and for the Drainage Utility Fund amounted to $4,399,394. Factors affecting the performance of these activities are as follows:

- The City treats lake water and sells it to consumers for a fee. In fiscal year 2021, Water and Sewer revenue increased slightly $254,553 or 0.61%, due to a decrease in overall water consumption being offset by an increase in new connects to the system.

- During fiscal year 2021, the City distributed 5.4 billion gallons of water while billing customers for 5.2 billion gallons of water usage or 96.3% of the actual plant's production. In fiscal year 2020, the City billed for 4.9 billion gallons of water usage compared to actual plant production of 5.0 billion. Actual water and sewer revenue in fiscal year 2021 remained relatively flat compared to fiscal year 2020. Actual water and sewer revenue in 2021 was $35.3 million compared to $35.4 million in fiscal 2020. Distribution of water in fiscal year 2021 increased due to the distribution in fiscal year 2020 with the increase attributable to the increase in total number of customers year over year by 979 new accounts. The water and sewer activity of the business-type activities produced operating income of $- million for fiscal year 2021 as compared to $11.9 million in fiscal year 2020.

- Unrestricted net position increased in the Water and Sewer Fund by $(544,351). Operating expenses increased $(11,804,160) over last year, excluding depreciation. Operating expenses are controlled through the direct administration of personnel costs and variable costs, which are directly caused by consumers' demand for the water. The City spent $5,775,123 for raw water in fiscal year 2021 compared to $5,798,582 in fiscal year 2020, and the City spent $7,495,832 to treat the City wastewater in fiscal 2021 compared to $7,360,531 in fiscal year 2020. The cost for raw water decreased year over year by ($23,459) while the cost to treat used water increased year over year by $135,301. The increase in unrestricted net position is a result of plan changes in the City's retiree health insurance plan resulting in a decrease in the City's net OPEB liability.

- The Law Enforcement Center Fund had operating revenues of $13,269 and operating expenses of $- this fiscal year. These operations are attributable to discontinuing the fund and transferring all remaining balances to the General Fund.

- The Drainage Utility Fund revenue had operating income of $- this fiscal year. Drainage Fees were $2,647,744 and operating expenses excluding depreciation were $1,537,234.

Budgetary Highlights

General Fund

The City compared the final budget to the actual amounts for comparative purposes. The differences can be briefly summarized as follows:

Revenue results exceeded budgeted estimates by $4,882,506 for fiscal year ended 2021:

- Property Taxes were below budgeted estimates by $(2,692,819) as collections were less than anticipated. Property valuations improved year over year but the City adopted a 10% homestead exemption in fiscal year 2021 which limited the taxable growth compared to the prior year.

- Sales Taxes exceeded budgeted projections by $2,513,399 due to new developments opening that created new sales tax collections.

- Licenses and permits exceeded budgeted estimates by $1,560,053. The City's building permit revenues were above expectations because of the economic recovery in the residential construction sector in the area; although the City's economy performed well during the great recession, development has generally improved in the area because the region has been improving.

- Intergovernmental revenue was over budget by $1,961,194 due to unexpected grant revenue that was awarded to the City in fiscal year 2021. Most of the grant revenue received by the City in fiscal year 2021 was from the American Rescue Plan Act.

- Charges for services exceeded budgeted estimates by $719,155 as the majority of the better than expected revenue was derived from the collection of additional inspections fees for developments within the City.

- The most significant expenditure of the City was on human capital. Management has been effective in maintaining the human capital costs of the organization. General government was over budget due to COVID-19 related expenditures. With the other financing sources and uses activity included with the operational activity, the City's revenue exceeded its expenditures for the fiscal year by $5.2 million. The City was over the overall budget of expenditures (including transfers out) of $71,031,853 by $2.4 million due to an increase in general government expenditures related to COVID-19. The excess expenditures were mostly offset by grant revenues and the remaining overages were covered by revenues being higher than originally anticipated.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021 amounts to $715,787,231 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

City's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	$ 107,919,626	$ 107,685,098	$ 2,466,262	$ 2,700,790	$ 110,385,888	$ 110,385,888
Buildings and system	93,534,867	90,939,691	144,839,832	143,702,014	238,374,699	234,641,705
Improvements	9,403,900	9,209,664	97,321	2,322,111	9,501,221	11,531,775
Machinery and equipment	13,077,540	10,145,945	1,466,005	1,547,110	14,543,545	11,693,055
Infrastructure	237,549,850	215,641,741	60,960,711	51,942,801	298,510,561	267,584,542
Construction in progress	22,263,346	19,431,454	22,207,971	19,831,777	44,471,317	39,263,231
Total	$ 483,749,129	$ 453,053,593	$ 232,038,102	$ 222,046,603	$ 715,787,231	$ 675,100,196

Governmental Capital Assets

Roadway expansion and improvements remain a primary element of the City's public works program. In 2021, several major arterial thoroughfares in the City were widened to provide access to Mansfield's developing retail centers. Mansfield has leveraged future tax revenue with general obligation bonds and anticipated the collection of roadway impact fees to pay for an expected $90 million in new street improvements over the next 10 years.

Street projects in fiscal year 2021:

- The City continued to improve Seeton Rd. and South Main St. Other road improvements include the completion of Debbie Lane from FM 157 to US 287.
- Several small arterial streets are under construction and design throughout neighborhoods.
- In total, the City spent $4,109,690 in street improvements and related work during fiscal year 2021.
- Development in the City continues to be strong with many residential and commercial projects in various stages of contstruction and planning. These projects result in private developers constructing infrastructure and donating it to the City to maintain. These developers contributions are added to the City's capital assets and totaled $29,275,662 in fiscal year 2021. The largest developments included M3 Ranch Phases 1A and 1B, Southpointe Phases 4 and 5, and Silver Oak Phases I and II.

Most of the capital assets that were added to construction in progress or the asset base of the City during fiscal year 2021 were planned or budgeted expenditures during fiscal year 2021. The City plans its asset expansion with deliberate budgetary control and oversight as these costs are substantial and have a significant effect on the operational cost and performance of the City.

Business-Type Assets

The City's municipally owned and operated water and sewer system has maintained its superior rating by the Texas Commission on Environmental Quality. The City has planned more than $65 million of water/sewer improvements over the next ten years to be paid for by a combination of cash on hand, bonds, and impact fees. These fees are designed to reduce the system's initial costs in building and running water and sewer lines to the user. These impact fees must be used for capital purposes and are restricted as to use by law. Business-type capital assets increased approximately $10.0 million from the previous year. Current major projects in progress include a new clear well ($13.5 million project to date) and elevated storage tank ($5.9 million project to date) to increase storage capacity within the system.

The City's drainage program had some improvements this year which were mostly related improving systems detention basins. The City has spent over $7.9 million on the drainage improvements as of September 30, 2021.

For additional information on the City's capital assets, see note III.C. of the basic financial statements.

Long-Term Debt

At the end of the current fiscal year, the City had total principal outstanding of $233,655,000. Of this amount, $151,135,000 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City's Component Unit, Mansfield Economic Development Corporation, MEDC, has $21,635,000 in outstanding debt backed by a voter passed sales tax.

City's Outstanding Debt - Tax Obligations and Revenue Bonds

	Governmental Activities	Business-Type Activities	Component Unit MEDC	Total
Security Instrument:				
Tax obligation bonds	$ 151,135,000	$ -	$ -	$ 151,135,000
Sales tax revenue bonds	31,590,000	-	21,635,000	53,225,000
Revenue bonds	-	29,295,000	-	29,295,000
Total	$ 182,725,000	$ 29,295,000	$ 21,635,000	$ 233,655,000

The City's total debt decreased $9,360,000 or 3.85 % during the current fiscal year. Key factors for the decrease are the principal payments on existing outstanding debt which were partially offset by the issuance of additional bonds. The City issued $16,525,000 in new bonds proceeds. The City maintains bond ratings from three rating agencies:

Company	General Fund Bonds	Water and Sewer Revenue Bonds	Sales Tax Revenue Bonds	Drainage Revenue Bonds
Moody's	"Aa1"	"Aa2"	"Aa1/2"	"Aa2"
Standard & Poor's	"AAA"	"AA+"	"AA-/A+"	"AA"
Fitch	"AA+"	"AAA"	"AA+"	"AAA"

For additional information on the City's debt obligations, see note III. G, of the basic financial statements.

The City Charter of the City and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 populations, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. The City operates under a Home Rule Charter, which also imposes a limit of $2.50. The FY 2020/2021 Property Tax Rate was $0.69000 per $100 valuation with a tax margin of $1.81000 per $100 valuation based upon the maximum ad valorem tax rate noted above. Additional revenues up to $143,812,114 , per year could be raised before reaching the maximum allowable tax base on the current year's appraised net taxable value of $7,945,420,669.

Economic Factors: Next Year's Budgets and Rates

The City Economy

- New residential developments that include approximately 6,094 single family homes are in some phase of platting, design, or construction. The City's tax year is one year in arrears; the housing starts in 2021 are for budget year or fiscal year 2023.

- The City's annual growth in property valuation has increased 8.07 % annually on average for the past ten years inclusive of a 10% homestead exemption that went into effect in fiscal year 2021. For fiscal year 2022, the City's valuations are expected to increase 5.7%. Generally, the City has weathered COVID-19 and property valuations are expected to remain strong in fiscal 2022 and into 2023. The valuations are expected to remain strong due to residential growth, the City is a good place to live as crime is low, school ratings are fairly high, land is affordable, and the City's proximity to Dallas and Fort Worth. The City is developing a discernible and identifiable character of being a place to enjoy a good quality life. These intangible characteristics developed recently - over the last decade. The City is also seeing the continued demand for commercial development because of the significant discretionary spending ability of its residents and the relatively stable economy within the City.

- Sales tax revenue is expected to increase with the new residential development and will grow annually; like property valuations, the City has adjusted its projections of anticipated sales tax receipts in 2022 and 2023. The expected budgeted sales tax receipts in 2022 are anticipated to exceed actual collections of 2021 by 11%. Management is monitoring the collections of sales tax revenue and may modify projections into 2022 depending upon the overall economy.

- Retail developments continue into 2022 and 2023. The challenge has been the effect of the national economy and the ability of companies and businesses to obtain capital financing. The City has taken an aggressive position in continuing development in the City because of the support for continued retail development and the community's expectation of additional retail. Development is expected to continue and new property valuations are expected from these developments.

- Median income continues to be an attractive asset for additional development and many in the development community are planning on capturing this income through commercial developments.

- The City has developed stringent building standards that require sustainable developments to assist in extending the asset life of the tax base into the future.

- Efforts have been made to revitalize the City's downtown. The area has suffered in past years from the lack of commerce and trade. The City has created a reinvestment zone to restore and generate new development in this area of the City. The City has purchased land and offered incentives to businesses for locating their new operations in the downtown area. The area is beginning to show signs of growth from the efforts and incentives.

These variables were considered in preparing the City's budget for the 2022 fiscal year.

The City's 2022 General Fund Operating Revenue Budget increased approximately 6.9% over the fiscal year 2021 budget. Most of this revenue growth was from new development in the City that generated additional property tax and sales tax revenue. The tax rate is $0.69 per $100 in assessed valuation of property within the City limits and a 10% homestead exemption for fiscal year 2022. Any additional appropriations made during fiscal year 2022 will be offset through the management of the operating expenditures of the General Fund during the course of fiscal year 2022.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Mansfield, 1200 E. Broad Street, Mansfield, Texas 76063. Questions may also be directed to 817-276-4296.

City of Mansfield, Texas
Statement of Net Position
As of September 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	MEDC
ASSETS				
Cash and cash equivalents and investments	$ 106,223,047	$ 30,981,060	$ 137,204,107	$ 8,055,776
Receivables (net of allowance for uncollectibles)	6,718,502	3,791,468	10,509,970	1,477,847
Lease receivable	3,024,084	-	3,024,084	-
Inventories	-	476,765	476,765	-
Restricted assets:				
Cash and cash equivalents and investments	-	13,596,550	13,596,550	1,162,385
Capital assets (net of accumlated depreciation):				
Land	107,919,626	2,466,262	110,385,888	13,096,835
Buildings and systems	93,534,867	144,839,832	238,374,699	603,398
Improvements other than buildings	9,403,900	97,321	9,501,221	6,033,144
Machinery and equipment	13,077,540	1,466,005	14,543,545	-
Infrastructure	237,549,850	60,960,711	298,510,561	-
Construction in progress	22,263,346	22,207,971	44,471,317	17,024,691
Subtotal capital assets	483,749,129	232,038,102	715,787,231	36,758,068
Total assets	599,714,762	280,883,945	880,598,707	47,454,076
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension contributions	3,955,241	510,848	4,466,089	34,709
Deferred OPEB contributions	689,754	95,694	785,448	4,811
Deferred assumption changes	408,728	52,789	461,517	3,583
Deferred actuarial experience	7,153,795	975,461	8,129,256	53,096
Deferred loss on refunding	2,073,598	2,336,814	4,410,412	64,821
Total deferred outflows of resources	14,281,116	3,971,606	18,252,722	161,020
LIABILITIES				
Accounts payable and other current liabilities	12,306,733	802,190	13,108,923	64,638
Liabilities payable from restricted assets	18,814	2,636,198	2,655,012	-
Noncurrent liabilities:				
Due within one year	16,071,071	4,494,150	20,565,221	1,915,412
Due in more than one year	184,342,253	29,394,646	213,736,899	20,653,014
Net pension liability	16,817,706	2,172,129	18,989,835	147,589
Net OPEB liability	13,635,223	1,898,773	15,533,996	93,767
Total OPEB liability - SDBF	1,436,646	185,548	1,622,194	12,588
Unearned prepaid rent	1,253,333	-	1,253,333	-
Unearned revenue	100,193	-	100,193	-
Total liabilities	245,981,972	41,583,634	287,565,606	22,887,008
DEFERRED INFLOWS OF RESOURCES				
Deferred assumption changes	618,550	85,038	703,588	4,459
Deferred investment gains	5,634,688	742,278	6,376,966	46,720
Deferred actuarial experience	602,921	78,996	681,917	5,078
Plan changes - Net OPEB	18,550,639	2,583,269	21,133,908	127,569
Deferred gain on refunding	13,366	-	13,366	-
Total deferred inflows of resources	25,420,164	3,489,581	28,909,745	183,826
NET POSITION				
Net investment in capital assets	331,887,663	204,648,837	536,536,500	15,165,500
Restricted for:				
Debt Service	6,055,271	3,819,414	9,874,685	231,562
Capital Projects	10,647,818	9,799,228	20,447,046	-
Courts	589,356	-	589,356	-
Parks	6,615,031	-	6,615,031	-
Grants	102,481	-	102,481	-
Tourism	1,492,875	-	1,492,875	-
Unrestricted	(14,796,753)	21,514,857	6,718,104	9,147,200
Total net position	$ 342,593,742	$ 239,782,336	$ 582,376,078	$ 24,544,262

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Activities
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: MEDC
Primary government:								
Governmental activities:								
General government	$ 24,895,115	$ 9,921,979	$ 2,026,222	$ -	$ (12,946,914)	$ -	$ (12,946,914)	$ -
Public safety	39,918,078	3,369,428	4,265,827	-	(32,282,823)	-	(32,282,823)	-
Public works	17,537,246	4,268,579	-	29,275,662	16,006,995	-	16,006,995	-
Culture and recreation	11,954,562	3,717,153	-	-	(8,237,409)	-	(8,237,409)	-
Interest on long-term debt	6,676,181	-	-	-	(6,676,181)	-	(6,676,181)	-
Total governmental activities	100,981,182	21,277,139	6,292,049	29,275,662	(44,136,332)	-	(44,136,332)	-
Business-type activities:								
Water	21,972,037	28,834,151	-	5,299,618	-	12,161,732	12,161,732	-
Sewer	8,657,180	13,364,600	-	5,166,417	-	9,873,837	9,873,837	-
Law enforcement center	12,851	13,269	-	-	-	418	418	-
Drainage	1,834,880	2,663,787	-	-	-	828,907	828,907	-
Total business-type activities	32,476,948	44,875,807	-	10,466,035	-	22,864,894	22,864,894	-
Total primary government	$ 133,458,130	$ 66,152,946	$ 6,292,049	$ 39,741,697	$ (44,136,332)	$ 22,864,894	$ (21,271,438)	$ -
Component units:								
MEDC	3,748,131	-	-	-	-	-	-	(3,748,131)
Total component units	$ 3,748,131	$ -	$ -	$ -	$ -	$ -	$ -	$ (3,748,131)
General revenues:								
Property taxes					58,744,441	-	58,744,441	-
Sales taxes					26,205,159	-	26,205,159	8,821,609
Franchise taxes					3,877,796	-	3,877,796	-
Mixed drink taxes					285,643	-	285,643	-
Hotel/Motel taxes					858,110	-	858,110	-
Unrestricted investment earnings					17,253	10,194	27,447	1,565
Gas royalty income					158,196	-	158,196	-
Gain on sale of capital assets					81,407	-	81,407	3,982,690
Transfers					3,448,889	(3,448,889)	-	-
Total general revenues					93,676,894	(3,438,695)	90,238,199	12,805,864
Change in net position					49,540,562	19,426,199	68,966,761	9,057,733
Net position, beginning					293,053,180	220,356,137	513,409,317	15,486,529
Net position, ending					$ 342,593,742	$ 239,782,336	$ 582,376,078	$ 24,544,262

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Balance Sheet
Governmental Funds
As of September 30, 2021

	General	Debt Service	Street Construction	Building Construction	Mansfield Parks Facility Development Corporation	TIRZ #1	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash, cash equivalents, and investments	$ 30,815,980	$ 5,365,013	$ 23,221,223	$ 18,463,800	$ 11,785,415	$ 5,832,641	$ 10,738,975	$ 106,223,047
Receivables (net of allowance for uncollectibles)	4,880,056	168,597	-	-	1,450,565	-	219,284	6,718,502
Due from other funds	1,791,139	-	-	-	-	24,582	-	1,815,721
Total assets	$ 37,487,175	$ 5,533,610	$ 23,221,223	$ 18,463,800	$ 13,235,980	$ 5,857,223	$ 10,958,259	$ 114,757,270
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable	$ 6,765,884	$ -	$ 742,045	$ 492,834	$ 198,392	$ 604,987	$ 351,333	$ 9,155,475
Due to other funds	-	-	-	-	-	-	1,815,721	1,815,721
Accrued liabilities	675,680	-	224,340	-	1,001,699	-	-	1,901,719
Retainage payable	-	-	69,398	277,001	-	-	39,520	385,919
Unearned revenue	-	-	-	-	1,441,524	-	-	1,441,524
Total liabilities	7,441,564	-	1,035,783	769,835	2,641,615	604,987	2,206,574	14,700,358
DEFERRED INFLOWS OF RESOURCES								
Unavailable property taxes	339,971	168,597	-	-	-	-	-	508,568
Unavailable sales taxes	1,635,390	-	-	-	817,695	-	1,885,901	4,338,986
Unavailable mixed drink taxes	22,401	-	-	-	-	-	-	22,401
Unavailable ambulance revenue	528,931	-	-	-	-	-	-	528,931
Unavailable court revenue	42,342	-	-	-	-	-	-	42,342
Unavailable grants	82,671	-	-	-	-	-	-	82,671
Total deferred inflows of resources	2,651,706	168,597	-	-	817,695	-	1,885,901	5,523,899
Fund balances:								
Restricted	$ -	$ 5,365,013	$ 22,185,440	$ 17,693,965	$ 5,478,961	$ 5,252,236	$ 7,604,168	$ 63,579,783
Committed	-	-	-	-	4,297,709	-	216,285	4,513,994
Assigned	129,000	-	-	-	-	-	-	129,000
Unassigned	27,264,905	-	-	-	-	-	(954,669)	26,310,236
Total fund balances	27,393,905	5,365,013	22,185,440	17,693,965	9,776,670	5,252,236	6,865,784	94,533,013
Total liabilities, deferred inflows of resources, and fund balances	$ 37,487,175	$ 5,533,610	$ 23,221,223	$ 18,463,800	$ 13,235,980	$ 5,857,223	$ 10,958,259	$ 114,757,270

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	483,749,129
Lease receivables in the governmental activities are not financial resources and, therefore, are not reported in the funds.	3,024,084
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	5,611,897
Long-term liabilities, and related deferred inflows and outflows of resources, included bonds payable, net pension, and OPEB liabilities, are not due and payable in the current period and therefore are not reported in the funds	(244,324,381)
Net position of governmental activities	$ 342,593,742

City of Mansfield, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Ended September 30, 2021

	General	Debt Service	Street Construction	Building Construction	Mansfield Parks Facility Development Corporation	TIRZ #1	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes:								
Property	$ 38,384,332	$ 17,888,309	$ -	$ -	$ -	$ 1,919,397	$ 587,502	$ 58,779,540
Sales	16,007,829	-	-	-	4,817,519	-	3,170,446	23,995,794
Franchise	3,877,796	-	-	-	-	-	-	3,877,796
Mixed drink	263,242	-	-	-	-	-	-	263,242
Hotel/motel	-	-	-	-	-	-	858,110	858,110
Licenses and permits	3,491,453	-	-	-	-	-	-	3,491,453
Intergovernmental	2,162,099	-	-	-	-	-	104,579	2,266,678
Charges for services	6,624,582	-	-	-	1,942,734	-	462,112	9,029,428
Fines	1,216,056	-	-	-	-	-	36,211	1,252,267
Interest earnings	8,398	154	4,501	515	2,194	560	931	17,253
Contributions and donations	4,250	-	-	-	36,158	-	16,146	56,554
Impact fees	-	-	3,763,451	-	1,742,250	-	-	5,505,701
Miscellaneous	1,578,375	16,215	21,868	9,822	170,028	-	146,827	1,943,135
Total revenues	73,618,412	17,904,678	3,789,820	10,337	8,710,883	1,919,957	5,382,864	111,336,951
EXPENDITURES								
Current:								
General government	22,463,672	-	-	-	-	-	1,142,075	23,605,747
Public safety	39,694,000	-	-	-	-	-	248,880	39,942,880
Public works	4,447,759	-	15,594	-	-	-	-	4,463,353
Culture and recreation	4,692,466	-	-	-	4,993,651	-	-	9,686,117
Debt service:								
Principal	-	10,660,000	-	-	-	-	1,855,000	12,515,000
Interest	-	5,758,778	-	-	-	-	1,298,358	7,057,136
Fiscal charges	-	21,921	-	158	-	-	6,241	28,320
Bond issuance cost	-	-	-	133,288	-	-	5,866	139,154
Capital outlay:								
Highways and streets	-	-	4,109,690	-	-	-	-	4,109,690
Buildings	-	-	-	4,998,877	-	-	-	4,998,877
Improvements other than buildings	-	-	-	-	60,018	-	1,383,484	1,443,502
Equipment	112,771	-	-	210,816	139,287	-	3,662,639	4,125,513
Total expenditures	71,410,668	16,440,699	4,125,284	5,343,139	5,192,956	-	9,602,543	112,115,289
Excess (deficiency) of revenues over (under) expenditures	2,207,744	1,463,979	(335,464)	(5,332,802)	3,517,927	1,919,957	(4,219,679)	(778,338)
OTHER FINANCING SOURCES (USES)								
Transfers in	4,976,975	12,113	-	10,482	499,592	-	1,650,422	7,149,584
Transfers out	(2,035,364)	-	-	-	-	(846,498)	(1,791,139)	(4,673,001)
Sale of city property	57,251	-	-	22,236	935	-	43,234	123,656
Bonds issued	-	-	-	8,716,842	-	-	383,158	9,100,000
Premium on bonds issued	-	-	-	516,602	-	-	22,708	539,310
Total other financing sources (uses)	2,998,862	12,113	-	9,266,162	500,527	(846,498)	308,383	12,239,549
Net change in fund balances	5,206,606	1,476,092	(335,464)	3,933,360	4,018,454	1,073,459	(3,911,296)	11,461,211
Fund balances - beginning	22,187,299	3,888,921	22,520,904	13,760,605	5,758,216	4,178,777	10,777,080	83,071,802
Fund balances - ending	$ 27,393,905	$ 5,365,013	$ 22,185,440	$ 17,693,965	$ 9,776,670	$ 5,252,236	$ 6,865,784	$ 94,533,013

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances total governmental funds	$ 11,461,211
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(4,131,089)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	34,826,625
Lease revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenue in the funds.	107,974
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	2,053,685
Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow until then. Deferred outflows are deferred pension contributions, deferred OPEB contributions, deferred investment losses, deferred assumption changes, deferred actuarial experience, and deferred loss on refunding	(4,360,538)
Deferred inflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an inflow until then. Deferred inflows are deferred assumption changes, deferred investment gains, deferred actuarial experience, and deferred gain on refunding.	(19,882,418)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the treatment of long-term debt and related items. Also included is net pension liability, net OPEB liability, and total OPEB liability.	29,465,112
Changes in net position of governmental activities	$ 49,540,562

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Net Position
Proprietary Funds
September 30, 2021

	Business-Type Activities Enterprise Funds			
	Water and Sewer	Law Enforcement Center	Drainage Utility	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 25,874,046	$ -	$ 5,107,014	$ 30,981,060
Accounts receivable (net of allowance for uncollectibles)	3,573,335	-	218,133	3,791,468
Inventories	476,765	-	-	476,765
Current assets	29,924,146	-	5,325,147	35,249,293
Current restricted assets:				
Cash and cash equivalents	13,524,930	-	71,620	13,596,550
Total current assets	43,449,076	-	5,396,767	48,845,843
Noncurrent assets:				
Capital assets:				
Land	616,163	-	1,850,099	2,466,262
Buildings and systems	271,940,435	-	7,908,064	279,848,499
Improvements other than buildings	138,950	-	-	138,950
Machinery and equipment	4,235,621	-	733,973	4,969,594
Construction in progress	22,156,531	-	51,440	22,207,971
Less accumulated depreciation	(75,749,512)	-	(1,843,662)	(77,593,174)
Total capital assets (net of accumulated depreciation)	223,338,188	-	8,699,914	232,038,102
Total noncurrent assets	223,338,188	-	8,699,914	232,038,102
Total assets	266,787,264	-	14,096,681	280,883,945
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension contributions	456,569	-	54,279	510,848
Deferred OPEB contributions	84,782	-	10,912	95,694
Deferred assumption changes	47,163	-	5,626	52,789
Deferred actuarial experience	866,023	-	109,438	975,461
Deferred loss on refunding	2,265,334	-	71,480	2,336,814
Total deferred outflows of resources	3,719,871	-	251,735	3,971,606
LIABILITIES				
Current liabilities:				
Accounts payable	$ 585,052	$ -	$ 39,619	$ 624,671
Compensated absences	193,447	-	31,366	224,813
Accrued liabilities	156,873	-	20,644	177,517
Current liabilities	935,372	-	91,629	1,027,001
Currrent liabilities payable from restricted assets:				
Customer deposits payable	1,702,090	-	-	1,702,090
Revenue bonds payable	3,806,836	-	462,502	4,269,338
Accrued interest payable	188,481	-	11,118	199,599
Retainage payable	726,611	-	7,898	734,509
Current liabilities payable from restricted assets	6,424,018	-	481,518	6,905,536
Total current liabilities	7,359,390	-	573,147	7,932,537
Noncurrent liabilities:				
Compensated absences	639,041	-	47,569	686,610
Revenue bonds payable (net of deferred amount on refunding)	27,293,240	-	1,414,797	28,708,037
Total OPEB liability - SDBF	165,767	-	19,781	185,548
Net OPEB liability	1,681,547	-	217,226	1,898,773
Net pension liability	1,941,335	-	230,794	2,172,129
Total noncurrent liabilities	31,720,930	-	1,930,167	33,651,097
Total liabilities	39,080,320	-	2,503,314	41,583,634
DEFERRED INFLOWS OF RESOURCES				
Deferred assumption changes	75,422	-	9,616	85,038
Deferred investment gains	661,777	-	80,501	742,278
Deferred actuarial experience	70,470	-	8,526	78,996
Plan changes - Net OPEB	2,287,734	-	295,535	2,583,269
Total deferred inflows of resources	3,095,403	-	394,178	3,489,581
NET POSITION (DEFICIT)				
Net investment in capital assets	197,691,019	-	6,957,818	204,648,837
Restricted for debt service	3,725,702	-	93,712	3,819,414
Restricted for capital projects	9,799,228	-	-	9,799,228
Unrestricted	17,115,463	-	4,399,394	21,514,857
Total net position	$ 228,331,412	$ -	$ 11,450,924	$ 239,782,336

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2021

	Business-Type Activities Enterprise Funds			
	Water and Sewer	Law Enforcement Center	Drainage Utility	Total
Operating revenues:				
Charges for sales and services:				
Water sales	$ 21,938,151	$ -	$ -	$ 21,938,151
Sewer charges	13,364,600	-	-	13,364,600
Drainage fees	-	-	2,647,744	2,647,744
Other services	6,896,000	13,269	16,043	6,925,312
Total operating revenues	42,198,751	13,269	2,663,787	44,875,807
Operating expenses:				
Costs of sales and services	21,323,874	-	290,303	21,614,177
Administration	2,792,112	2,948	1,246,931	4,041,991
Depreciation	5,188,157	-	193,554	5,381,711
Total operating expenses	29,304,143	2,948	1,730,788	31,037,879
Operating income	12,894,608	10,321	932,999	13,837,928
Nonoperating revenues (expenses):				
Interest earnings	9,818	-	376	10,194
Interest expense	(1,325,074)	(9,903)	(104,092)	(1,439,069)
Total nonoperating revenues (expenses)	(1,315,256)	(9,903)	(103,716)	(1,428,875)
Income before contributions and transfers	11,579,352	418	829,283	12,409,053
Capital contributions	10,466,035	-	-	10,466,035
Transfers in (out)	(2,410,597)	(1,038,292)	-	(3,448,889)
Change in net position	19,634,790	(1,037,874)	829,283	19,426,199
Total net position - beginning	208,696,622	1,037,874	10,621,641	220,356,137
Total net position - ending	$ 228,331,412	$ -	$ 11,450,924	$ 239,782,336

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds			
	Water and Sewer Fund	Law Enforcement Center	Drainage Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customer and users	$ 43,536,021	$ 13,220	$ 2,725,860	$ 46,275,101
Payments to suppliers	(18,285,212)	(26,137)	(637,261)	(18,948,610)
Payments to employees	(6,581,550)	(13,154)	(758,924)	(7,353,628)
Net cash provided by (used in) operating activities	18,669,259	(26,071)	1,329,675	19,972,863
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to/from other funds	(2,410,597)	(54,978)	-	(2,465,575)
Net cash used in noncapital financing activities	(2,410,597)	(54,978)	-	(2,465,575)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(10,087,526)	-	(412,861)	(10,500,387)
Principal paid on capital debt	(3,275,000)	(50,000)	(440,000)	(3,765,000)
Interest paid on capital debt	(1,340,104)	(24,547)	(71,648)	(1,436,299)
Net cash used in capital and related financing activities	(14,702,630)	(74,547)	(924,509)	(15,701,686)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	9,818	-	376	10,194
Net cash provided by investing activities	9,818	-	376	10,194
Net increase (decrease) in cash and cash equivalents	1,565,850	(155,596)	405,542	1,815,796
Cash and cash equivalents, October 1	37,833,126	155,596	4,773,092	42,761,814
Cash and cash equivalents, September 30 (including $13,524,930; $-; and $71,620 for the Water and Sewer fund, Law Enforcement Center fund, and Drainage Utility fund, respectively, reported in restricted accounts)	$ 39,398,976	$ -	$ 5,178,634	$ 44,577,610
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income	$ 12,894,608	$ 10,321	$ 932,999	$ 13,837,928
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	5,188,157	-	193,554	5,381,711
Decrease in accounts receivable	1,262,223	3,313	62,073	1,327,609
Decrease in inventories	105,964	2,863	-	108,827
Decrease in deferred outflows of resources	464,747	-	11,356	476,103
(Increase) decrease in net pension obligation	(35,859)	-	22,444	(13,415)
(Increase) in OPEB obligation	(2,946,707)	-	(224,408)	(3,171,115)
(Increase) decrease in deferred inflows of resources	2,452,638	-	327,675	2,780,313
(Increase) decrease in accrued wages payable	24,826	(26,137)	7,352	6,041
(Increase) decrease in customer deposits	75,047	(3,362)	-	71,685
Decrease in compensated absences	31,407	-	21,600	53,007
(Increase) in accounts payable	(847,792)	(13,069)	(24,970)	(885,831)
Total adjustments	$ 5,774,651	$ (36,392)	$ 396,676	$ 6,134,935
Net cash provided by (used in) operating activities	$ 18,669,259	$ (26,071)	$ 1,329,675	$ 19,972,863
Noncash capital activities:				
Contributions of capital assets from developers	$ 10,466,035	$ -	$ -	$ 10,466,035
Transfer of capital assets to governmental activities	-	(5,593,212)	-	(5,593,212)
Transfer of long-term liabilities to governmental activities	-	4,609,898	-	4,609,898
Capital asset acquistions included in accounts payable	86,264	-	-	86,264

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Retiree Health Insurance OPEB Trust
ASSETS	
Cash and cash equivalents	$ 281,719
Investments:	
Mutual funds - Equity	12,483,807
Mutual funds - Fixed income	11,040,130
Accrued income	4
Total assets	$ 23,805,660
NET POSITION	
Restricted for:	
Other Post Employment Benefits	23,805,660
	$ 23,805,660

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Retiree Health Insurance OPEB Trust
ADDITIONS	
Investment earnings:	
Contribution	$ 2,410,000
Interest	244
Dividends	378,101
Net increase in fair value of investments	3,449,740
Increase (decrease) in net accrued income	(36)
Total investment earnings	6,238,049
Net investment earnings	6,238,049
Total additions	6,238,049
DEDUCTIONS	
Administrative expenses	92,803
Total deductions	92,803
Net increase in fiduciary net position	6,145,246
Net position, beginning of year	17,660,414
Net position - ending	$ 23,805,660

The notes to the financial statements are an integral part of this statement.

I. Summary of Significant Accounting Policies

The financial statements of the City of Mansfield, Texas (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City are described herein.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member Council. As required by GAAP, these financial statements present the City and its component units, for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations, and data from these units are combined with data from the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Units

Mansfield Park Facilities Development Corporation (MPFDC) - The MPFDC board of directors is appointed by the City Council, and the City management maintains significant continuing management responsibility with respect to MPFDC policies. Additionally, the City is ultimately responsible for MPFDC fiscal matters. The MPFDC provides services exclusively to the City (i.e., the MPFDC constructs capital assets on behalf of the City). The MPFDC does not issue separate financial statements and the MPFDC is included in the governmental funds.

Mansfield Tax Increment Financing Reinvestment Zone Number One (TIRZ #1) - The City and the City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of the TIRZ #1. The TIRZ #1 board of directors is a seven-member board; four members of the board of directors are members of the City's Council with the remaining three board members appointed by the participating entities of the TIRZ #1 unless the participating entity waives its right to board membership, which at such time the City may appoint a member in its stead. Two Counties, Tarrant, and Ellis County, participate in the City's TIRZ #1 as it is a 3,100-acre tract of land that is in three Counties. The TIRZ #1 does not issue separate financial statements, as the TIRZ #1 is included as a major fund of the City. The TIRZ #1 was established in December 2006 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ #1, which are owned and maintained by the City.

Mansfield Tax Increment Financing Reinvestment Zone Number Two (TIRZ #2) – The City and the City's management maintain significant influence and responsibility in the approval of programs, expenditures, and obligations of the TIRZ #2. The TIRZ #2 board of directors is a five-member board; four members of the board of directors are members of the City's Council with the remaining board member appointed by Tarrant County, the other participating entity. This TIRZ #2 was established to revitalize the City's Historic Downtown area, which includes 317 developed acres. The TIRZ #2 does not issue separate financial statements, as the TIRZ #2 is included as a non-major fund of the City. The TIRZ #2 was established in December 2012 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ #2, which will be owned and maintained by the City.

South Pointe Public Improvement District – The City established a public improvement district for the purpose of maintaining public improvements on approximately 873 acres in the TIRZ number one area. An annual assessment will fund the public improvement district.

Discretely Presented Component Unit

Mansfield Economic Development Corporation (MEDC) – In 1997, the voters passed an additional 1/2 cent sales tax to fund an aggressive economic development program and provide financial incentives, infrastructure needs, and tax relief in the recruitment and retention of industry. Although the City Council appoints all board members, none of the board members are currently City Council members or City employees. In addition, City management maintains significant continuing management responsibility with respect to MEDC financial matters. Although the MEDC financial matters are ratified or denied by the City, the City is not legally entitled to the MEDC resources or is it legally obligated for the indebtedness of the MEDC. The MEDC provides financial incentives to business and industry as permitted by statute and does not provide services entirely or almost entirely to the City and does not issue separate financial statements.

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The previous reporting model emphasized fund types (the total of all funds of a particular type); in the reporting model as defined by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the focus is either the City as a whole or major individual fund (within the fund financial statements).

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Police, Fire, Public Works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, interest income, etc.).

Separate fund-based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund, street construction fund, building construction fund, Mansfield Parks Facility Development Corporation and TIRZ #1 fund. The major enterprise funds are the water and sewer fund, the law enforcement center fund, and the drainage utility fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds along with other qualitative factors. The non-major funds are combined in a separate column in the fund financial statements. The non-major funds are detailed in the combining section of the statements.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary fund (by category) and the discretely presented component unit. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are presented using the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers ad valorem tax, sales tax, hotel/motel tax, mixed drink tax, franchise tax, and investment earnings to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, pension and other postemployment benefit obligations, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and will be paid shortly after year-end (not to exceed one month).

Licenses and permits, charges for services, fines, contributions and donations, impact fees, and miscellaneous revenues are recorded as revenues when received in cash, as the amounts are typically not known until received. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, as soon as all eligibility requirements have been met, moneys must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, moneys are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if all eligibility requirements are met.

A portion of the City's revenues are derived from developer contributions. The effect of these transactions, recorded as revenue, in the City's water and sewer funds was significant. Developer's contributions of $10,466,035 are recorded as non-operating revenue in the water and sewer fund financial statements. These amounts represent revenues from non-exchange transactions during the fiscal year. For reporting non-exchange transactions for the governmental activities, in the government-wide financial statements on the accrual basis of accounting, the revenues are recorded as capital contributions program revenue, which totaled $29,275,662.

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer Fund, Law Enforcement Center Fund, and Drainage Utility Fund are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government reports the following major governmental funds:

The General Fund is the operating fund of the City. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The General Obligation Debt Service Fund (Debt Service) is used to account for the accumulation of resources for and the payment of, principal and interest on general long-term obligation debt. The primary source of revenue is ad valorem taxes, which are levied by the City.

The Street Construction Fund accounts for the financial resources to be used in the construction of roadways and bridges. The Fund is financed from general obligation bond proceeds, certificates of obligation proceeds, impact fees, developer contributions, or other sources.

The Building Construction Fund accounts for the financial resources to be used in the construction of general governmental buildings and facilities. The Fund is financed from general obligation bond proceeds, certificates of obligation proceeds, or other sources.

The Mansfield Parks Facility Development Corporation Fund is used to account for the half-cent sales tax, approved by the voters, for parks land acquisition.

The TIRZ One Fund accounts for the financial resources to be used in the development, construction, improvements, and acquisition of land within a boundary that encompasses 3,100 acres of mixed-use property. The Fund is financed from the increased property values above a preexisting property tax base on January 1, 2006. The year-over-year increase in property values will be contributed by the City and the participating Counties. The City's contribution of property tax from the increased property values is 65% of the increased property within the TIF boundary, and the County's contribution of property tax from the increased property values is 30% of the increased property within Counties limits within the TIF boundary.

The other governmental funds column is a summarization of all the non-major governmental fund types.

The government reports the following major proprietary funds:

The Water and Sewer Fund accounts for the operation of the City's water and sewer system. Activities of the Fund include administration, operation, and maintenance of the water and sewer system and billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for general obligation, and revenue bonds. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the Fund.

The Law Enforcement Center Fund accounts were discontinued in this fiscal year.

The Drainage Utility Fund accounts for the operation of the City's drainage system. Activities of the Fund include administration, operation, and maintenance of the drainage system. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.

Additionally, the government reports the following fund type:

The other postemployment benefit trust fund is used to report assets held for beneficiaries to fund future postemployment benefits other than pensions. The City utilizes a trust to hold required contributions for other postemployment benefits. Plan trustee must act in accordance with the specific purpose and terms of the OPEB plan. The accompanying statement of fiduciary net position and statement of changes in fiduciary net position are presented as of and for the year ended June 30, 2021, the Plan's year-end in accordance with GASB Statement No. 74.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments:

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with original maturities of three months or less from the end of the fiscal year.

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the balance sheet or statement of net position as "Cash, Cash Equivalents, and Investments" under each fund's caption. Except for bond-related and other restricted transactions, the City conducted all its banking and investment transactions with one financial institution.

For fiscal year 2021, the City invested in direct obligations of the U.S. government, or its agencies and mutual funds as authorized by the City's investment policy. The City records interest revenue earned from investment activities in each respective fund and recognizes its investments on a fair value basis, which is based on quoted market prices.

2. Inventory:

Inventory consists primarily of supplies, valued at cost. Cost is determined using the weighted average method. Inventory is charged to the user departments and recorded as expenses/expenditures when consumed rather than when purchased. The non-spendable portion of the fund balance is provided equal to the amount of inventory, as the amount is not available for expenditure.

3. Prepaid Items:

Payments made to vendors for services that will benefit future periods are recorded as prepaid items. These payments are recognized under the consumption method.

4. Capital Assets:

Capital assets, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, while improvements and betterments are capitalized.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Building and Improvements	50 years
Water and Sewer Lines	50 years
Vehicles, Machinery, and Equipment	4-10 years
Infrastructure	25 years

5. Deferred Outflows:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until the appropriate future period. The City has four items that qualify for this category. Deferred pension/OPEB contributions relate to contributions made by the City after the measurement date so they are deferred and recognized in the upcoming fiscal year. Deferred actuarial experience is the difference in the expected and actual pension and OPEB experience. This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred assumption changes are differences arising from a change in actuarial assumptions and are deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred loss on refunding are the differences in carrying value of the refunded debt compared to its acquisition price. This difference is deferred and amortized over the remaining life of the refunded debt or new debt, whichever is shorter.

6. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the respective retirement plan and additions to/deductions from the respective Fiduciary Net Position have been determined on the same basis as they are reported by the respective pension plan. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability that pertains to the governmental activities will be liquidated mainly by the General Fund with the rest being liquidated by the MPFDC.

7. Other Postemployment Benefits (OPEB):

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Retiree Health Insurance OPEB Trust and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Trust. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. The other post-employment benefit liabilities that pertain to the governmental activities will be liquidated mainly by the General Fund with the rest being liquidated by the MPFDC.

8. Deferred Inflows:

Deferred inflows of resources are used to report acquisitions of net assets by the City that are applicable to future reporting periods. The City has six items that qualify for this category. Deferred assumption changes are differences arising from a change in actuarial assumptions and are deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred investment gains are the differences in the projected and actual earnings on the pension/OPEB assets. This difference is deferred and amortized over a closed five year period. Deferred changes in plan benefits are the differences arising from a change in OPEB plan benefits. This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred actuarial experience is the difference in the expected and actual pension and OPEB experience. This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred gain on refunding are the differences in carrying value of the refunded debt compared to its acquisition price. This difference is deferred and amortized over the remaining life of the refunded debt or new debt, whichever is shorter. Unavailable revenue is only reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

9. Compensated Absences:

Vested or accumulated vacation leave is accrued in the government-wide and proprietary fund financial statements when incurred. No liability is recorded for non-vesting, accumulating rights to receive sick pay benefits. Vacation is earned in varying amounts up to a maximum of fifteen (15) days for employees with ten (10) or more years of service. Unused vacation leave is carried forward from one year to the next without limit with regards to years of service. As of September 30, 2021, the liability for accrued vacation was $9,265,509. The amount applicable to the Proprietary Funds of $911,423 and the MEDC of $108,009 have been recorded in these funds, and the amount applicable to other funds of $8,246,077 has been recorded in the government-wide financial statements.

10. Interfund Charges:

The City allocates to the Water and Sewer Fund, a percentage of the salaries and wages and related costs of personnel who perform administrative services for the fund but are paid through the General Fund. During the year ended September 30, 2021, the City allocated $147,980 to the Water and Sewer Fund for these services.

11. Property Tax:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent on February 1 of the following year. The City contracts with Tarrant County to bill and collect its property taxes. Property tax revenues are recognized when they are both measurable and available. Revenues are considered both measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period.

12. Sales Tax:

The City levies a 2% local sales tax in addition to the statewide sales tax rate of 6.25%. Sales tax revenues are recognized when they are both measurable and available. Revenues are considered both measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period.

13. Long-Term Obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Net pension liability is the liability of employer contributions to plan members for benefits provided through a defined benefit plan. Net OPEB/Total OPEB - Supplemental Death Benefits Fund (SDBF) liabilities are the liabilities of postemployment benefits provided to employees separately from a pension plan. Net OPEB liabilities are funded through an irrevocable trust while Total OPEB - SDBF liabilities are not.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

As a home rule city, the City of Mansfield is not limited by the law in the amount of debt it may issue. The City is permitted by Article XI, Section 5 of the *State of Texas Constitution* to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

14. Restricted Assets:

Certain proceeds of Proprietary Fund Revenue Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

15. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Final settlement amounts could differ from those estimates.

16. Fund Balance Classification:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to classify the fund balances.

Committed fund balances are amounts that can only be used for specific purposes with constraints imposed by formal action of the City Council and do not lapse at year-end. This formal action consists of a written ordinance voted and approved by a majority of the City Council. For assigned fund balance classification, the City Manager with concurrence of the Deputy City Manager is authorized to assign amounts for a specific purpose as permitted by Section 9.12 of the City Charter. The restricted fund balance classification includes amounts that have constraints that are externally imposed (creditors, grantors, etc.) or imposed by enabling legislation. The non-spendable classification includes amounts that are not in spendable form or required to be maintained intact. The unassigned fund balance classification represents fund balance that has not been classified to another category.

The City considers an amount spent when the expenditure is incurred when restricted or unrestricted fund balances are available. In addition, the City considers an amount spent when the expenditure is incurred for purposes for which an amount in the committed, assigned, or unassigned amounts could be used. The City considers expenditures to be made from the most restrictive resources/funds when more than one classification is available.

The City has a minimum General Fund balance policy requirement. This policy established by resolution of the Council requires the General Fund unassigned fund balance to be 25% of the ensuing fiscal year's General Fund operating budget. The detailed fund balance classifications are as follows:

	General	Debt Service	Street Construction	Building Construction	Mansfield Parks Facility Development Corporation	TIRZ #1	Other Governmental Funds	Total Governmental Funds
Fund balances:								
Restricted:								
Debt service reserve	-	5,365,013	-	-	-	-	-	5,365,013
Parks debt service reserve	-	-	-	-	-	-	521,661	521,661
Street construction/improvements	-	-	22,185,440	-	-	-	215,585	22,401,025
Municipal building improvements	-	-	-	17,693,965	-	-	-	17,693,965
Parks and recreation	-	-	-	-	5,478,961	-	1,136,070	6,615,031
Other capital projects	-	-	-	-	-	5,252,236	3,885	5,256,121
Equipment/other purposes	-	-	-	-	-	-	3,542,255	3,542,255
COPS Grant	-	-	-	-	-	-	102,481	102,481
Court security and technology	-	-	-	-	-	-	490,903	490,903
Court seizure fund	-	-	-	-	-	-	98,453	98,453
Tourism promotion	-	-	-	-	-	-	1,492,875	1,492,875
Commited:								
Tree mitigation	-	-	-	-	-	-	27,719	27,719
Parks and recreation	-	-	-	-	4,297,709	-	-	4,297,709
Library	-	-	-	-	-	-	107,486	107,486
Animal control	-	-	-	-	-	-	81,080	81,080
Assigned:								
City council	84,000	-	-	-	-	-	-	84,000
Community events	45,000	-	-	-	-	-	-	45,000
Unassigned:	27,264,905	-	-	-	-	-	(954,669)	26,310,236
Total fund balances	27,393,905	5,365,013	22,185,440	17,693,965	9,776,670	5,252,236	6,865,784	94,533,013

The deficit fund balance in Southpointe PID, included in other governmental funds, will be satisfied with future Southpointe PID fund revenues or a subsidy from the General Fund. The deficit fund balance in TIRZ #2, also included in other governmental funds, will be satisfied with future property tax. The deficit fund balance in the Parks Construction Fund will be satisfied with a subsidy from General Fund.

17. Net Position:

Net position is classified and displayed in three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is excluded from the calculation of net investment in capital assets.

Restricted – Consists of assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. When an expense is incurred for purposes for which there are both restricted and unrestricted assets available, it is the City's policy to apply those expenses to restricted assets, to the extent such are available, and then to unrestricted assets.

Unrestricted – All other assets that constitute the components of net position that do not meet the definition of "restricted" or "investment in capital assets."

18. Adoption of New Accounting Standards:

The GASB Statement No. 84 ("GASB 84"), *Fiduciary Activities*, established criteria for identifying fiduciary activities. It presents separate criteria for evaluating component units, pension and other postemployment benefit arrangements, and other fiduciary activities. The focus is on a government controlling the assets of the fiduciary activity and identification of the beneficiaries of those assets. Fiduciary activities are reported in one of the four types of funds: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, or custodial funds. Custodial funds are used to report fiduciary activities that are.used to report fiduciary activities that are not held in a trust. the agency fund designation will no longer be used. GASB 84 also provides guidance on fiduciary fund statements and timing of recognition of a liability to beneficiaries. Implementation of GASB 84 had no material impact on the City.

GASB Statement No. 97 ("GASB 97"), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and amendment of GASB Statement No. 14 and No. 84, and a supersession of GASB Statement No. 32. This Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. Implementation of GASB 97 had no material impact on the City.

Statement No. 98 ("GASB 98"), *the Annual Comprehensive Financial Report*. This statement establishes the new term annual comprehensive financial report and the acronym ACFR. The adoption had no impact on the City's net position.

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds."

The details of this $244,324,381 difference are as follows:

Bonds payable	182,725,000
Premium on issuance of bonds	10,085,842
Discounts on issuance of bonds	(643,595)
Deferred loss on refunding	(2,073,598)
Deferred gain on refunding	13,366
Accrued interest payable	882,434
Compensated absences	8,246,077
Deferred pension contributions	(3,955,241)
Deferred OPEB contributions	(689,754)
Deferred investment gains, net	5,634,688
Deferred assumption changes, net	209,822
Net pension liability	16,817,706
Net OPEB liability	13,635,223
Total OPEB liability – SDBF	1,436,646
Deferred actuarial experience, net	(6,550,874)
Deferred change in plan benefits	18,550,639
Net adjustment to reduce fund balance – total governmental funds to arrive at net position– governmental activities	$ 244,324,381

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this (4,131,089) difference are as follows:

Capital outlay	$ 14,677,582
Depreciation expense	(18,808,671)
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$ (4,131,089)

Another element of that reconciliation states "The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) and the transfer of capital assets from business-type activities is to increase net position." The statement of activities reports contributions of capital assets. Conversely, the governmental funds do not report any contributions of capital assets. The $34,826,625 difference is as follows:

Net adjustment to increase changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 34,826,625

Another element of that reconciliation states that "revenues recognizing future lease payments on a straight-line basis in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the funds." The $107,974 difference is as follows:

The statement of activities reports lease revenues to recognize future lease payments on a straight-line basis. However, governmental funds do not report lease revenues until they are available.	$ 107,974

Another element of that reconciliation states that "revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds". The $2,053,685 difference is as follows:

The governmental funds defer revenue related to uncollected receivables. However, in the statement of activities, this is recognized in the current period.	$ 2,053,685

Another element of that reconciliation states that "deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow until then." Deferred outflows are deferred pension and OPEB contributions, deferred investment losses, deferred charges on refunding, and deferred pension expenses. The details of this $(4,360,538) difference are as follows:

Changes in deferred pension contributions	$ 29,817
Changes in deferred OPEB contributions	(1,325,570)
Changes in deferred investment losses	(363,190)
Changes in deferred actuarial expense	(2,578,623)
Changes in deferred assumption changes	160,779
Changes in deferred loss/(gain) on refunding	(283,751)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$(4,360,538)

Another element of that reconciliation states that "deferred inflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an inflow until then." Deferred inflows are deferred pension contributions, and deferred rent. The details of this $(19,882,418) difference are as follows:

Changes in deferred investment gains	$(1,539,291)
Changes in actuarial experience	(87,284)
Changes in plan benefits	(18,550,639)
Changes in deferred assumption changes	294,796

Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$(19,882,418)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $29,465,112 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	$(9,100,000)
Debt transferred from LEC	(395,000)
Premium on issuance of bonds	(539,310)
Change in accrued interest payable	77,177
Amortization of premiums/discounts	750,572
Change in compensated absences	788,890
Principal payments or payments to escrow agent	12,515,000
Change in deferred gain on refunding	(4,298)
Change in net pension liability	290,339
Change in net OPEB liability	25,492,023
Change in total OPEB liability - SDBF	(410,281)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 29,465,112

III. Detailed Notes on All Funds

A. Deposits and Investments

As of September 30, 2021, the primary government had cash and cash equivalents of $150,800,657 including the following investments, which are recorded as cash equivalents (maturities of investments are measured in weighted average maturities or WAM):

Primary Government - Governmental Activities and Business-type Activities	Net Asset Value	WAM (Years)
Investment Type – TexSTAR Investment Pool	41,668,995	0.08
Investment Type - Money Market Mutual Funds	23,896,476	0.08
Investment Type - Texas CLASS Investment Pool	3,258,352	0.08
Total Net Asset Value and Weighted Average Maturity	$ 68,823,823	0.08

As of September 30, 2021, the Mansfield Economic Development Corporation had cash and cash equivalents of $9,218,161 including the following investments, which are recorded as cash equivalents (maturities of investments are measured in weighted average maturities or WAM)

Component Unit – Mansfield Economic Development Corporation	Net Asset Value	WAM (Years)
Investment Type – TexSTAR Investment Pool	2,752,926	0.08

Investment Type - Money Market Mutual Funds	1,752,483	0.08
Total Net Asset Value and Weighted Average Maturity	$ 4,505,409	0.08

Money market accounts are marketable securities in active markets that have observable inputs and prices.

Interest Rate Risk –

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit Risk –

The City is authorized to invest in U.S. government obligations and its agencies or instrumentalities, obligations of Texas and its agencies, fully insured or collateralized certificates of deposit, fully collateralized direct repurchase agreements, government pools and money market funds consisting of any of these securities listed, and obligations of states, cities, and other political subdivisions with a rating of "A" or its equivalent. As of September 30, 2021, the City's investment in the money market mutual funds was rated "AAA" by Standard and Poor's and "Aaa" by Moody's Investment Service.

Custodial Credit Risk Deposits –

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy, which requires a collateralization level of 105% of market value less an amount insured by the FDIC. Of the primary government and the component unit's categorizable bank deposits, none were uninsured and uncollateralized as of September 30, 2021.

Custodial Credit Risk Investments –

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has an investment policy, which requires a collateralization level of 105% of market value of principal and accrued interest on investments other than direct purchases of U.S. Treasuries or Agencies. The policy requires all investments held by outside parties for safekeeping in the name of the City or on behalf of the City.

Concentration of Credit Risk Investments –

The City's investment policy does not place a limit on the amount the City may invest in a single issuer because the City's investment policy limits the City's authorized investments. These authorized investments include any security backed by the federal government, the State of Texas, or political subdivision with an investment grade rating of "A" or better. The City's investment policy authorizes mutual funds, "AAA" rated only registered with the Securities and Exchange Commission available alternatives to previously listed authorized securities. At September 30, 2021, the City's investments are held in Invesco and Bank of America Merrill Lynch Money Market Mutual Funds; Texas CLASS; and TexSTAR Participant Services. These investments are 34.72%, 4.73%, and 60.55%, respectively, of the City's total investments. These money market mutual funds are invested in U.S. Treasury obligations, which are backed by the full faith and credit of the U.S. government.

External Investment Pool –

TexSTAR's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the fund or who do not have a business relationship with the fund and are qualified to advise. The investment objective and strategies of the pool is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The pool offers same day access to investment funds.

JPMorgan Investment Management (JPMIM) and Hilltop Securities, Inc. (HSAM) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors. JPMIM serves as an investment advisor to TexSTAR, while HSAM provides administrative participant support and marketing services. TexSTAR is not registered with the Securities and Exchange Commission (SEC) as an investment company but is an investment pool that has been organized in conformity with Chapters 791, Interlocal Cooperation Act, and 2256, Public Funds Investment Act, of the Texas Government Code.

The Cooperative Liquid Assets Securities System - Texas ("CLASS") is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Chapter 2256, Texas Government Code. CLASS is created under an Amended and Restated Trust Agreement, dated as of May 1, 2001 (the "Agreement") among certain Texas governmental entities investing in the pool (the "Participants"), Municipal Investors Services Corporation ("MBIA-MISC") as program administrator, and Wells Fargo as custodian. CLASS is not SEC-registered and is not subject to regulation by the State of TExas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with MBIA-MISC to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained by contacting MBIA Asset Management at 815-A Brazos Street, Suite 345, Austin, Texas 78701-9996 or by calling (800) 707-6242. CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorites may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or a national or state emergency that affects the pool's liquidity.

Investments with TexSTAR and Texas CLASS are carried at net asset value.

Interest Rate Risk –

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the investment portfolio as follows:

Investment Type	Not to Exceed
Obligations of the United States	100%
Obligations of the State of Texas	100%
Certificates of Deposit	100%
Investment Pools	100%
Mutual Funds	100%

As a means of limiting its exposure fair value losses arising from rising interest rates, the following guidelines reflect the Retiree Health Insurance OPEB Trust's asset allocation goals:

Portfolio Segment	Range of Portfolio Assets
Equity	40-60%
Fixed income	40-60%
Cash	0-20%

In accordance with GASB Statement No. 72 *Fair Value Measurement and Application,* investments are recorded at fair value. In accordance with GASB Statement No. 72, the Retiree Health Insurance OPEB Trust categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Mutual funds are categorized as Level 1.

The Retiree Health Insurance OPEB Trust fund cash and investments (mutual funds are reported at fair value) are summarized below:

Cash and Cash Equivalents	
Cash	$ 281,719
Investments	
Mutual funds	23,523,937
Total cash and cash equivalents and investments	$ 23,805,656

The City, including the proprietary funds and the component unit, do not have any debt security investments, other than in the Retiree Health Insurance OPEB Trust, which are exposed to interest rate risk.

Foreign Currency Risk –

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City does not have any investments in foreign obligations.

B. Receivables

Receivables at September 30, 2021 consisted of the following:

	Governmental Funds				
	General	Debt Service	MPFDC	Non-major	Total
Receivables:					
Property Taxes	$ 1,026,089	$ 576,044	$ -	$ -	$ 1,602,133
Accounts	11,562,586	-	1,450,565	219,284	13,232,435
Gross Receivables	12,588,675	576,044	1,450,565	219,284	14,834,568
Less: Allowance for Uncollectible	(7,708,619)	(407,447)	-	-	(8,116,066)
Net Total Receivables	$ 4,880,056	$ 168,597	$ 1,450,565	$ 219,284	$ 6,718,502

	Proprietary Funds		
	Water & Sewer	Drainage Utility	Total
Receivables:			
Accounts	$ 4,876,465	$ 309,228	$ 5,185,693
Other	57,207	-	57,207
Gross Receivables	4,933,672	309,228	5,242,900
Less: Allowance for Uncollectible	(1,360,337)	(91,095)	(1,451,432)
Net Total Receivables	$ 3,573,335	$ 218,133	$ 3,791,468

The MEDC has a receivable in the amount of $1,477,847 as of September 30, 2021.

C. Capital Assets

Capital asset activity for the year ended September 30, 2021 is as follows:

Governmental activities:	Sept 30, 2020	Increases	Decreases	Transfers	Sept 30, 2021
Capital assets, not being depreciated:					
Land	$ 107,685,098	$ -	$ -	$ 234,528	$ 107,919,626
Construction in progress	19,431,454	10,661,101	(7,829,209)	-	22,263,346
Total capital assets, not being depreciated	127,116,552	10,661,101	(7,829,209)	234,528	130,182,972
Capital assets, being depreciated:					
Buildings	108,033,220	1,393,850	-	7,363,784	116,790,854
Other improvements	29,390,044	125,816	-	2,688,591	32,204,451
Machinery and equipment	29,639,057	4,477,443	(1,000,312)	1,308,004	34,424,192
Infrastructure	433,870,792	35,124,243	-	-	468,995,035
Total capital assets, being depreciated	600,933,113	41,121,352	(1,000,312)	11,360,379	652,414,532
Less accumulated depreciation for:					
Buildings	(17,093,529)	(1,776,733)	-	(4,385,725)	(23,255,987)
Other improvements	(20,180,380)	(2,151,500)	-	(468,671)	(22,800,551)
Machinery and equipment	(19,493,112)	(1,664,304)	958,063	(1,147,299)	(21,346,652)
Infrastructure	(218,229,051)	(13,216,134)	-	-	(231,445,185)
Total accumulated depreciation	(274,996,072)	(18,808,671)	958,063	(6,001,695)	(298,848,375)
Total capital assets being depreciated, net	325,937,041	22,312,681	(42,249)	5,358,684	353,566,157
Governmental activities capital assets, net	$ 453,053,593	$ 32,973,782	$ (7,871,458)	$ 5,593,212	$ 483,749,129

Business-type activities:	Sept 30, 2020	Increases	Decreases	Transfers	Sept 30, 2021
Capital assets, not being depreciated:					
Land	$ 2,700,790	$ -	$ -	$ (234,528)	$ 2,466,262
Construction in progress	19,831,777	10,108,262	(7,732,068)	-	22,207,971
Total capital assets, not being depreciated	22,532,567	10,108,262	(7,732,068)	(234,528)	24,674,233
Capital assets, being depreciated:					
Buildings and systems	196,336,720	7,732,067	-	(7,363,784)	196,705,003
Improvements other than buildings	2,827,541	-	-	(2,688,591)	138,950
Machinery and equipment	5,897,418	393,362	(13,182)	(1,308,004)	4,969,594
Infrastructure	72,677,461	10,466,035	-	-	83,143,496
Total capital assets, being depreciated	277,739,140	18,591,464	(13,182)	(11,360,379)	284,957,043
Less accumulated depreciation for:					
Buildings and systems	(52,634,706)	(3,616,190)	-	4,385,725	(51,865,171)
Improvements other than buildings	(505,430)	(4,870)	-	468,671	(41,629)
Machinery and equipment	(4,350,308)	(312,526)	11,946	1,147,299	(3,503,589)
Infrastructure	(20,734,660)	(1,448,125)	-	-	(22,182,785)
Total accumulated depreciation	(78,225,104)	(5,381,711)	11,946	6,001,695	(77,593,174)
Total capital assets being depreciated, net	199,514,036	13,209,753	(1,236)	(5,358,684)	207,363,869
Business-type activities capital assets, net	$ 222,046,603	$ 23,318,015	$ (7,733,304)	$ (5,593,212)	$ 232,038,102

D. Capital assets continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Goverment	$ 1,526,599
Public Safety	1,503,784
Public Works	13,255,115
Culture and Recreation	2,523,173
Total Depreciation Expense - Governmetnal Activities	$ 18,808,671
Business-Type Activities:	
Water and Sewer	$ 5,188,157
Law Enforcement Center	-
Drainage Utility Fund	193,554
Total Depreciation Expense - Business-Type Activities	$ 5,381,711

Construction Commitments

The general government had outstanding commitments at September 30, 2021, under authorized construction contracts of approximately $8,840,000. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources. These outstanding commitments relate to the major funds.

The MPFDC had no outstanding commitments at September 30, 2021.

The Water and Sewer Fund had outstanding commitments at September 30, 2021, under authorized construction contracts of approximately $2,175,000. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources.

The Drainage Fund had outstanding commitments at September 30, 2021, under authorized construction contracts of approximately $35,000. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources.

Discretely Presented Component Unit

Activity for the MEDC for the year ended September 30, 2021 was as follows:

Mansfield Economic Development Corporation:	Sept 30, 2020	Increases	Decreases	Sept 30, 2021
Capital assets, not being depreciated:				
Land	$ 10,272,190	$ 5,023,284	$ (2,198,639)	$ 13,096,835
Construction in progress	19,429,410	3,543,888	(5,948,607)	17,024,691
Total capital assets, not being depreciated	29,701,600	8,567,172	(8,147,246)	30,121,526
Capital assets, being depreciated:				
Buildings	-	605,288	-	605,288
Other Improvements	167,248	5,948,607	-	6,115,855
Machinery and equipment	72,312	-	-	72,312
Total capital assets, being depreciated	239,560	6,553,895	-	6,793,455
Less accumulated depreciation for:				
Buildings	-	(1,890)	-	(1,890)
Other improvements	(79,333)	(3,378)	-	(82,711)
Machinery and equipment	(72,312)	-	-	(72,312)
Total accumulated depreciation	(151,645)	(5,268)	-	(156,913)
Total capital assets being depreciated, net	87,915	6,548,627	-	6,636,542
MEDC capital assets, net	$ 29,789,515	$ 15,115,799	$ (8,147,246)	$ 36,758,068

The MEDC had no outstanding commitments at September 30, 2021.

E. Due to/Due from

The composition of the due to/due from balances as of September 30, 2021 is as follows:

Fund	Due to	Due from
General fund	$ 1,791,139	$ -
TIRZ #1	24,582	-
Other governmental	-	1,815,721
TOTAL	$ 1,815,721	$ 1,815,721

F. Interfund Transfers

The composition of interfund balances as of September 30, 2021 is as follows:

Fund	Transfers In	Transfers Out
General Fund	$ 4,976,975	$ 2,035,364
Debt Service	12,113	-
Building Construction	10,482	-
MPFDC	499,592	-
TIRZ #1	-	846,498
Other governmental	1,650,422	1,791,139
Law Enforcement Center	-	1,038,292
Water and Sewer Fund	-	2,410,597
TOTAL	$ 7,149,584	$ 8,121,890

The General Fund received a transfer from the Water and Sewer Fund for a payment-in-lieu of taxes, in the amount of $2,410,597, for services provided as part of the City's ordinary government.

Interfund activity from the General Fund and the non-major funds is for the purpose of purchase, construction, and improvements of capital assets for government-wide purposes. These transfers are budgeted annually. The unexpended funds within the non-major funds generally are reappropriated upon the adoption of the next fiscal year's budget. These interfund transfers within the Governmental Fund Types are eliminated upon the reporting of government-wide financial statements.

The interfund activity from the LEC is to complete the transfer of operations to the General Fund. Transfers do not balance in the fund statements as a result of transferring balances accounted for under the full accrual basis of accounting to a fund using the modified accrual basis.

G. Long-Term Debt

Governmental Activities -

General Obligation Bonds, Loans, and Certificates of Obligation

The general obligation bonds, loans, and certificates of obligation are serial and term debt collateralized by the full faith and credit of the City and are payable from property taxes. The debt matures annually in varying amounts through 2041, and interest is payable semiannually. Proceeds of general obligation bonds are recorded in the Capital Projects Funds and are restricted to the use for which they were approved in the bond elections. Certificates of obligation bonds and loan proceeds are recorded in the appropriate fund for which the debt was issued and approved by the City. The City Charter expressly prohibits the use of bond proceeds to fund operating expenditures.

In 2021, the City issued $9,100,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2021. The bonds of $9,100,000 plus premiums of $539,310 and less issuance costs of $139,154 will be used for the design, development, and construction of public infrastructure.

The total amount of deferred loss on refunding for the governmental bonds was $2,073,598 at September 30, 2021.

The total amount of deferred again on refunding for the governmental bonds was $13,366 at September 30, 2021.

General obligation debt outstanding at September 30, 2021 comprises the following issues:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2012 GO Refunding	2.00% to 3.13%	2025	5,855,000	3,730,000
2012 CO	2.00% to 4.00%	2032	3,415,000	2,155,000
2012A CO	3.49% to 4.65%	2032	3,075,000	2,000,000
2013 CO	2.00% to 4.00%	2033	5,335,000	3,580,000
2013 GO Refunding	2.00% to 4.00%	2025	4,200,000	2,070,000
2013A GO Refunding	2.00% to 3.00%	2023	2,880,000	640,000
2014 CO	2.50% to 4.38%	2034	16,500,000	12,460,000
2014A CO	2.00% to 4.13%	2034	1,255,000	945,000
2015 CO	2.00% to 5.00%	2035	15,870,000	12,170,000
2015 GO Refunding	4.00% to 5.00%	2027	11,700,000	5,185,000
2016 GO Refunding	1.35% to 3.71%	2028	3,770,000	2,480,000
2016 CO	2.00% to 5.00%	2036	13,705,000	11,310,000
2016 GO Refunding	2.00% to 5.00%	2036	14,885,000	11,470,000
2016A CO	1.25% to 3.90%	2041	2,960,000	2,600,000
2017 CO	3.00% to 5.00%	2037	18,975,000	16,380,000
2018 CO	3.00% to 4.00%	2038	15,960,000	14,180,000
2019 CO	3.00% to 4.00%	2039	13,750,000	12,805,000
2020 CO	2.00% to 4.00%	2040	24,245,000	23,400,000
2020 GO Refunding	2.00% to 4.00%	2031	4,475,000	2,475,000
2021 CO	1.50% to 4.00%	2041	9,100,000	9,100,000
TOTAL				$ 151,135,000

Annual debt service requirements to maturity for general obligation debt, including interest of $44,000,265, are as follows:

Fiscal Year	Principal	Interest	Total
2022	10,810,000	5,600,032	16,410,032
2023	10,450,000	5,183,159	15,633,159
2024	10,860,000	4,769,907	15,629,907
2025	10,415,000	4,341,919	14,756,919
2026	9,700,000	3,914,635	13,614,635
2027-2031	44,665,000	13,835,113	58,500,113
2032-2036	38,335,000	5,562,466	43,897,466
2037-2041	15,900,000	793,034	16,693,034
TOTAL	$ 151,135,000	$ 44,000,265	$ 195,135,265

Special Sales Tax Revenue Bonds

The Special Sales Tax Revenue Bonds are special limited obligations of the MPFDC payable from proceeds of an additional ½ of 1% sales and use tax levied by the City. The bonds are serial obligations payable annually in varying amounts with interest payable semiannually. The proceeds of these bonds are to be used for their legal purposes as prescribed in the statutes of the State of Texas.

As of September 30, 2021 there was $-0- of defeased debt outstanding related to the Sales Tax Revenue Bonds. Special Sales Tax Revenue and Revenue Refunding Bonds outstanding at September 30, 2021 are as follows:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2012	2.00% to 3.25%	2024	4,995,000	1,005,000
2016	2.00% to 4.00%	2035	6,775,000	4,605,000
2016	1.05% to 4.83%	2040	14,930,000	13,030,000
2016A	1.50% to 2.95%	2041	8,295,000	7,305,000
2018	3.00% to 4.00%	2043	2,325,000	2,100,000
2018	2.54% to 4.35%	2043	3,785,000	3,545,000
TOTAL				$ 31,590,000

Debt service requirements to maturity for Special Sales Tax Revenue Bonds, including interest of $13,513,389, are as follows:

Fiscal Year	Principal	Interest	Total
2022	1,910,000	1,247,861	3,157,861
2023	1,965,000	1,192,847	3,157,847
2024	2,030,000	1,134,077	3,164,077
2025	1,735,000	1,065,917	2,800,917
2026	1,810,000	1,005,849	2,815,849
2027-2031	7,035,000	4,160,371	11,195,371
2032-2036	7,640,000	2,700,886	10,340,886
2037-2041	6,995,000	974,668	7,969,668
2042-2043	470,000	30,913	500,913
TOTAL	$ 31,590,000	$ 13,513,389	$ 45,103,389

Changes in long-term liabilities

Long-term debt activity for the year ended September 30, 2021 was as follows:

	Balance Beginning of Year	Increase	Decrease	Transfer	Balance End of Year	Due Within One Year
General Obligation Bonds	$ 152,300,000	$ 9,100,000	$ (10,660,000)	$ 395,000	$ 151,135,000	$ 10,810,000
Sales Tax Revenue Bonds	33,445,000	-	(1,855,000)	-	31,590,000	1,910,000
Deferred Amounts:						
Premiums	10,352,534	539,310	(806,002)	-	10,085,842	830,202
Discounts	(699,025)	-	57,710	(2,280)	(643,595)	(57,710)
Total bonds payable	195,398,509	9,639,310	(13,263,292)	392,720	192,167,247	13,492,492
Compensated absences	9,034,967	1,403,034	(2,191,924)	-	8,246,077	2,578,579
Total	$ 204,433,476	$ 11,042,344	$ (15,455,216)	$ 392,720	$ 200,413,324	$ 16,071,071
Net Pension Liability	$ 17,108,045	$ 3,754,896	$ (5,860,852)	$ 1,815,617	$ 16,817,706	
Net OPEB Liability	39,127,246	(28,075,567)	(654,375)	3,237,919	13,635,223	
Total OPEB Liability - SDBF	1,026,365	345,460	(44,104)	108,925	1,436,646	
Total pension & OPEB liabilities	$ 57,261,656	$ (23,975,211)	$ (6,559,331)	$ 5,162,461	$ 31,889,575	

For the governmental activities, compensated absences are generally liquidated by the general fund or the respective special sales tax fund.

Business-Type Activities -

Water and Sewer Fund

The water and sewer fund revenue bonds are payable from the gross revenues of the water and sewer system. Gross revenues are to be used first-to-pay operating and maintenance expenses of the system, and second, to maintain revenue bond funds in accordance with the bond covenants. Remaining revenues may then be used for any lawful purpose. The debt matures annually in varying amounts through 2035, and interest is payable semiannually.

Waterworks and Sewer System Refunding and Revenue Bonds

In 2021, the City issued $7,425,000 in Waterworks and Sewer System Revenue Refunding Bonds, Series 2021 for the purpose of refunding the Series 2009 Waterworks and Sewer System Revenue and the Series 2011 Waterworks and Sewer System Revenue Bonds. The refunding resulted in a net present value of cash savings of $1,270,194.

For the refunded debt, the reacquisition price exceeded the net carrying amount of the old debt by $87,506 and resulted in an economic gain of $1,331,451. This deferred amount on refunding is being amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was the same as the life of the new debt. The deferred amount on refunding was $82,132 at September 30, 2021.

The total amount of deferred loss on refunding for the water and sewer revenue bonds was $2,265,334 at September 30, 2021.

Water and sewer fund debt outstanding at September 30, 2021 comprises the following issues:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2012	2.00% to 3.00%	2023	2,320,000	455,000
2015	2.00% to 5.00%	2027	9,540,000	2,745,000
2016	2.00% to 5.00%	2035	24,510,000	17,815,000
2021	2.00% to 3.00%	2030	7,425,000	6,405,000
TOTAL				$ 27,420,000

Debt service requirements to maturity for water and sewer fund debt, including interest of $5,893,538, are as follows:

Fiscal Year	Principal	Interest	Total
2022	3,465,000	1,130,888	4,595,888
2023	3,070,000	1,001,250	4,071,250
2024	2,965,000	876,100	3,841,100
2025	2,855,000	752,250	3,607,250
2026	2,975,000	632,250	3,607,250
2027-2031	10,380,000	1,326,200	11,706,200
2032-2035	1,710,000	174,600	1,884,600
TOTAL	$ 27,420,000	$ 5,893,538	$ 33,313,538

Drainage Utility Fund

The Drainage Utility Fund revenue bonds are payable from the gross revenues of the drainage utility system. Gross revenues are to be used first to pay operating and maintenance expenses of the system, and second, to maintain revenue bond funds in accordance with the bond covenants. Remaining revenues may then be used for any lawful purpose. The debt matures annually in varying amounts through 2027, and interest is payable semiannually.

The total amount of deferred loss on refunding for the Drainage Utility bonds was $71,480 at September 30, 2021.

Drainage Utility Fund debt outstanding at September 30, 2021 comprises the following issues:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2007	4.00% to 4.30%	2027	$ 2,200,000	$ 855,000
2012	2.00% to 3.13%	2024	3,740,000	1,020,000
TOTAL				$ 1,875,000

Debt service requirements to maturity for Drainage Utility debt, including interest of $194,253, are as follows:

Fiscal Year	Principal	Interest	Total
2022	460,000	66,710	526,710
2023	475,000	52,175	527,175
2024	490,000	36,238	526,238
2025	145,000	19,350	164,350
2026	150,000	13,115	163,115
2027	155,000	6,665	161,665
TOTAL	$ 1,875,000	$ 194,253	$ 2,069,253

Changes in business-type activity debt

A summary of business-type activity debt transactions, including activity for the year ended September 30, 2021, is as follows:

	Balance Beginning of Year	Increase	Decrease	Transfer	Balance End of Year	Due Within One Year
Water/Sewer Revenue Bonds	$ 31,080,000	$ 7,425,000	$ (11,085,000)	$ -	$ 27,420,000	$ 3,465,000
LEC Certificates of Obligation	445,000	-	(50,000)	(395,000)	-	-
Drainage Utility Revenue Bonds	2,315,000	-	(440,000)	-	1,875,000	460,000
Deferred Amounts:						
Premiums	3,626,214	535,331	(320,539)	-	3,841,006	363,170
Discounts	(195,610)		34,697	2,280	(158,633)	(18,833)
Total bonds payable	37,270,604	7,960,331	(11,860,842)	(392,720)	32,977,373	4,269,337
Compensated absences	858,416	911,423	(858,416)	-	911,423	224,813
Total	$ 38,129,020	$ 8,871,754	$ (12,719,258)	$ (392,720)	$ 33,888,796	$ 4,494,150
Net Pension Liability	$ 4,001,161	$ 743,557	$ (756,972)	$ (1,815,617)	$ 2,172,129	
Net OPEB Liability	8,362,237	-	(3,225,545)	(3,237,919)	1,898,773	
Total OPEB Liability - SDBF	240,043	54,430	-	(108,925)	185,548	
Total pension & OPEB liabilities	$ 12,603,441	$ 797,987	$ (3,982,517)	$ (5,162,461)	$ 4,256,450	

For financial reporting purposes, the unamortized premiums and discounts have been netted against total bonds outstanding.

The Business-Type Activity long-term debt will be repaid, plus interest, from the operating revenues derived primarily from water sales, sewer service charges, and drainage service charges or operating transfers from the general fund.

Discretely Presented Component Unit

Mansfield Economic Development Corporation

The Sales Tax Revenue Refunding Bonds are special limited obligations of the MEDC payable from proceeds of an additional ½ of 1% sales and use tax levied by the City. The bonds are serial obligations payable annually in varying amounts with interest payable semiannually.

The total amount of deferred loss on refunding for the MEDC bonds was $64,821 at September 30, 2021.

MEDC debt outstanding at September 30, 2021 comprises the following issues:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2012	2.00% to 4.00%	2032	$ 3,090,000	$ 1,905,000
2015A	0.50% to 3.55%	2024	5,630,000	1,815,000
2015	2.00% to 4.00%	2024	2,880,000	940,000
2016	2.00% to 4.00%	2036	14,125,000	11,370,000
2018	2.52% to 4.29%	2038	6,200,000	5,605,000
TOTAL				$ 21,635,000

Debt service requirements to maturity for MEDC debt, including interest of $6,514,982, are as follows:

Fiscal Year	Principal	Interest	Total
2022	1,850,000	810,857	2,660,857
2023	1,905,000	748,848	2,653,848
2024	1,980,000	680,028	2,660,028
2025	1,070,000	606,730	1,676,730
2026	1,110,000	566,541	1,676,541
2027-2031	6,230,000	2,155,847	8,385,847
2032-2036	6,620,000	889,665	7,509,665
2037-2038	870,000	56,466	926,466
TOTAL	$ 21,635,000	$ 6,514,982	$ 28,149,982

Changes in MEDC Debt

A summary of MEDC debt transactions, including activity for the year ended September 30, 2021, is as follows:

	Balance Beginning of Year	Increase	Decrease	Balance End of Year	Due Within One Year
MEDC Revenue Bonds	$ 23,430,000	$ -	$ (1,795,000)	$ 21,635,000	$ 1,850,000
Deferred Amounts:					
Premiums	1,030,756	-	(66,654)	964,102	66,653
Discounts	(152,079)	-	13,394	(138,685)	(13,394)
Total bonds payable	24,308,677	-	(1,848,260)	22,460,417	1,903,259
Compensated absences	91,442	108,009	(91,442)	108,009	12,153
Total Noncurrent Liabilities	$ 24,400,119	$ 108,009	$ (1,939,702)	$ 22,568,426	$ 1,915,412
Net Pension Liability	$ 150,947	$ 48,075	$ (51,433)	$ 147,589	
Net OPEB Liability	267,439	-	(173,672)	93,767	
Total OPEB Liability - SDBF	9,056	54,392	(50,860)	12,588	
Total pension & OPEB liabilities	$ 427,442	$ 102,467	$ (275,965)	$ 253,944	

H. Restricted Assets

The restricted assets of the Business-type Activities as of September 30, 2021 included the following legal use restrictions.

Enterprise Fund	Revenue Bond Sinking and Reserve Fund	Bond Construction Fund	Total
Water and Sewer Fund	$ 3,914,184	$ 9,610,746	$ 13,524,930
Drainage Utility	71,620	-	71,620
TOTAL	$ 3,985,804	$ 9,610,746	$ 13,596,550

The ordinance authorizing the issuance of Water and Sewer System revenue bonds requires that the City establish a sinking fund (Revenue Bond Sinking and Reserve Fund) in an amount not less than the average annual requirement for the payment of principal and interest on all the revenue bonds. At September 30, 2021, the sinking fund balance is sufficient to satisfy such bond ordinance requirements. The bond ordinance also contains provisions, which, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amounts and the pledged revenues are equal to or greater than 1.25 times the average annual debt service requirements after giving effect to the proposed additional bonds and any proposed rate increases. In addition, the bond ordinance requires that the annual gross revenues of the Water and Sewer System, less annual operation and maintenance expenses (excluding depreciation and amortization expense), be at least 1.10 times the annual principal and interest requirements of all the outstanding revenue bonds.

The ordinance further requires that the proceeds from the sale of revenue bonds be expended for certain capital improvements to the Water and Sewer System. The unspent proceeds are maintained as restricted assets until such time as needed to fund the Water and Sewer System construction program.

The ordinance authorizing the issuance of the Certificates of Obligation requires that the City establish an interest and sinking fund to provide for principal and interest requirements as they become due.

I. Retirement Plan

Plan Description:

The City participates as one of 895 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided:

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the member's benefit is calculated based on the sum of the member's contributions, with interest, and the city-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2018	Plan Year 2019	Plan Year 2020
Employee deposit rate	7.0%	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1	2 to 1
Years required for vesting	5	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating, transfers	100% repeating, transfers	100% repeating, transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating	70% of CPI Repeating

Employees covered by benefit terms:

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	231
Inactive employees entitled to but not yet receiving benefits	208
Active employees	467
Total	906

Contributions:

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 15.39% and 16.05% in calendar years 2020 and 2021 respectively. The City's contributions to TMRS as of September 30, 2021 were $6,495,583 and were equal to the required contributions.

Net Pension Liability:

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption of Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Globa Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in the statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Position Liability (a) - (b)
Balance at 12/31/2019	$ 188,907,897	$ 167,647,744	$ 21,260,153
Changes for the year:			
Service Cost	7,964,424	-	7,964,424
Interest	12,756,277	-	12,756,277
Change in benefit terms	-	-	-
Difference between expected and actual experience	(485,321)	-	(485,321)
Changes of assumptions	-	-	-
Contributions - employer	-	6,668,580	(6,668,580)
Contributions - employee	-	3,033,241	(3,033,241)
Net investment income	-	12,741,845	(12,741,845)
Benefit payments, including refunds of employee contributions	(7,816,442)	(7,816,442)	-
Administrative expense	-	(82,344)	82,344
Other changes	-	(3,213)	3,213
Net changes	$ 12,418,938	$ 14,541,667	$(2,122,729)
Balance at 12/31/2020	$ 201,326,835	$ 182,189,411	$ 19,137,424

Sensitivity of the net pension liability (asset) to changes in the discount rate:

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
$ 50,759,794	$ 19,137,424	$(6,573,418)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2021, the City recognized expense of $5,391,919.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Schedule of Outflows and Inflows - Current and Future Expense

	Recognition period (or amortization yrs)	Total (Inflow) or Outflow of Resources	2021 Recognition in current pension expense	Deferred (Inflow)/ Outflow in future expense
2014 difference in experience (inflows)/outflows	1.0000	$ 9,462	$ 9,462	$ -
2015 difference in experience (inflows)/outflows	1.7300	$ 41,678	$ 24,091	$ 17,587
2016 difference in experience (inflows)/outflows	2.7900	$ 808,291	$ 289,710	$ 518,581
2017 difference in experience (inflows)/outflows	3.7300	$ 478,418	$ 128,262	$ 350,156
2018 difference in experience (inflows)/outflows	4.4200	$ 1,524,505	$ 344,911	$ 1,179,594
2019 difference in experience (inflows)/outflows	5.0500	$ 208,699	$ 41,327	$ 167,372
2020 difference in experience (inflows)/outflows	6.2900	$ (485,321)	$ (77,158)	$ (408,163)
			$ 760,605	$ 1,825,127
2015 difference in assumptions - (inflows)/outflows	1.7300	$ (172,233)	$ (99,557)	$ (72,676)
2019 difference in assumptions - (inflows)/outflows	5.0500	$ 65,664	$ 13,003	$ 52,661
			$ (86,554)	$ (20,015)
2016 deficit investment returns - (inflows)/outflows	1.0000	$ (2,870)	$ (2,870)	$ -
2017 deficit investment returns - (inflows)/outflows	2.0000	$ (3,531,274)	$ (1,765,638)	$ (1,765,636)
2018 excess investment returns - (inflows)/outflows	3.0000	$ 8,442,086	$ 2,814,028	$ 5,628,058
2019 deficit investment returns - (inflows)/outflows	4.0000	$ (9,997,287)	$ (2,499,322)	$ (7,497,965)
2020 deficit investment returns - (inflows)/outflows	5.0000	$ (1,425,622)	$ (285,124)	$ (1,140,498)
			$ (1,738,926)	$ (4,776,041)
				$ (2,970,929)

$4,500,798 (including $34,709 for MEDC) reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net deferred outflows (inflows) of resources
2022	$(1,051,088)
2023	708,800
2024	(2,368,730)
2025	(163,093)
2026	(74,445)
Thereafter	(22,373)
Total	$(2,970,929)

J. Supplemental Death Benefits

TMRS administers an optional death benefit plan, the Supplemental Death Benefits Fund (SDBF), which operates like a group-term life insurance plan. This is a voluntary program in which participating member cities may elect, by ordiance, to provide supplemental death benefits for their active members with optional coverage for their retirees. The City elected by ordinance to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated in a trust meeting the criteria in paragraph 4 of GASB Statement No. 75). TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	184
Inactive employees entitled to but not yet receiving benefits	60
Active employees	467
Total	711

Contributions:

The contribution rates for employees in SDBF is .05% of employee gross earnings, and the City contribution rates were .16% for 2020 and .14% for 2021, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the EAN actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

Total OPEB Liability - SDBF:

The City's total OPEB Liability - SDBF was measured and determined by an actuarial valuation as of December 31, 2020.

Actuarial Assumptions:

The total OPEB Liability - SDBF in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5% per year, including inflation
Discount rate	2.00%, based on the Fidelity Index's "20-Year Municipal GO
Discount rate	AA Index" rate as of December 31, 2020
Retirees' share of benefit-related costs	$ 0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates- disabled retirees	2019 Municipal Retirees of Texas Mortality Table with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the total OPEB liability - SDBF:

Balance at 12/31/2019	$ 1,275,464
Changes for the year:	
Service Cost	77,998
Interest	36,029
Differences between expected and actual experience	14,866
Changes in assumptions or other inputs	239,091
Benefit payments*	(8,666)
Net changes	359,318
Balance at 12/31/2020	$ 1,634,782

*Due to the SDBF being considered an unfunded SDBF plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the total OPEB liability - SDBF to changes in the discount rate:

The following presents the total OPEB liability - SDBF of the City, calculated using the discount rate of 2.00%, as well as what the City's total OPEB liability - SDBF would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

	1% Decrease 1.00%	**Current Discount Rate 2.00%**	**1% Increase 3.00%**
Total OPEB liability	$ 2,044,457	$ 1,634,782	$ 1,325,966

OPEB Plan Fiduciary Net Position:

Detailed information about the plan's fiduciary net position is available in a separately issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (SDBF):

For the year ended September 30, 2021, the City recognized expense of $166,600.

At September 30, 2021 the City reported deferred outflows of resources and deferred outflows and inflows of resources related to OPEB from the following sources:

Due to Liabilities:	Recognition Period (or Amortiation yrs)	Total Remaining (Inflow) or Outflow of Resources	2021 Recognized in current OPEB expense	Deferred (Inflow)/Outflow in future expense
2020 Change in assumptions	7.8900	$ 239,091	$ 30,303	$ 208,788
2019 Change in assumptions	6.7300	$ 186,621	$ 27,730	$ 158,891
2018 Change in assumptions	6.0400	(61,112)	$ (10,118)	$ (50,994)
2017 Change in assumptions	5.0400	55,839	$ 11,079	$ 44,760
2020 Difference in expected and actual experience	7.8900	$ 14,866	$ 1,884	$ 12,982
2019 Difference in expected and actual experience	6.7300	$ (177,565)	$ (26,384)	$ (151,181)
2018 Difference in expected and actual experience	6.0400	109,196	$ 18,079	$ 91,117
			$ 52,573	$ 314,363

$40,259 was reported as deferred outflows of resources related to OPEB (SDBF) resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability - SDBF for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB (SDBF) will be recognized in pension expense as follows:

	Net deferred outflows (inflows) of resources
2022	$ 52,573
2023	52,573
2024	52,573
2025	52,573
2026	41,938
Thereafter	62,133
Total	$ 314,363

K. Other Post-Employment Benefits - OPEB

Plan Description

City employees retiring on TMRS will be provided the opportunity to receive health insurance benefits from the City from the City's existing health care plan. The City established by ordinance a single-employer defined benefit postemployment healthcare plan that covers retired employees of the City. The City established an irrevocable trust and contracted with an administrator as well as a custodial bank to manage the plan's assets or the retiree's medical benefits.

The plan does not issue a stand-alone financial report. For inquiries relating to the plan, please contact: The City of Mansfield, Business Services Division, 1200 East Broad Street, Mansfield, Texas 76063.

Measurement Focus and Basis of Accounting

The City of Mansfield, Texas Retiree Health Insurance Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the determination of the employer.

Benefits

City employees will be provided the opportunity to elect employer-subsidized health programs until the age of 65. Employees and their dependents who retire before the age of 65 with ten years of service and less than 20 years of service are eligible to receive full health insurance coverage until the employee turns 65 at the same cost of an active employee. Employees and their dependents who retire with 20 years of service are eligible to receive full health insurance coverage until they turn 65; while their dependents are eligible for full health insurance coverage they must pay the same cost as an active employee for full insurance coverage of their dependents. The City amended this plan in fiscal year 2021 resulting in a decrease in the net OPEB liability at year end and resulting in a deferred inflow of resources - plan benefit changes. The change requires all retirees and their spouses on the health insurance plan, upon turning 65, must obtain medical coverage through Medicare. The City provides a monthly allowance to offset the cost of Medicare for retirees and their spouses over the age of 65.

Employees

At the time of the actuarial valuation, the City had 444 active plan members and 128 retired plan members receiving benefits. Of the retired members, 50 had less than 20 years of service and 78 had more than 20 years of service.

Contributions

Participants included in the actuarial valuation include retirees and survivors, and active employees who may be eligible to participate in the Plan upon retirement. Eligible retired employees participating in the City's Retiree Health Insurance Plan pay their premiums directly to the City. Expenditures for post-retirement healthcare and other benefits are recognized monthly and funded into the irrevocable trust. The City funds 100% of the actuarially determined contribution (ADC), which approximates the annual OPEB cost, and totaled $750,000 for the fiscal year ended September 30, 2021.

Net OPEB Liability

The City's net OPEB liability (NOL) was measured as of June 30, 2021 and the total OPEB liability (TOL) used to calculate the NOL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The NOL in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Actuarial method	Entry Age Normal
Discount rate	7.0% per annum. The plan is funded in an irrevocable trust maintained by the plan sponsor. The City has, on average, made contributions the last five years that, if continued in this fashion, the plan will always be sufficiently funded to pay benefits due.
Inflation	2.5% per annum
Mortality	PRI-2012 Total Dataset Mortality Table with Improvement Scale MP-2020
Marriage Assumptions	3-year spouse age difference with females assumed 3 years younger than males. 25% of participants eligible for future post-employment benefits are assumed to have an eligible spouse electing to receive plan benefits. For retired members, we have used actual marital status, as provided, and assumed all such spouses are receiving plan benefits.
Health-care cost trend rates	7% in year 1 graded downward ½% per year to 4.5% in year 6 & later
Post-65 premium reductions	It is assumed that employer-subsidized premiums will be reduced by two-thirds after age 65 due to Medicare eligibility.
Assumed utilization	75% of eligible future retirees are assumed to elect plan benefits
Changes in assumptions	We have changed the mortality table from RPI-2012 Mortality Table to MP-2020 Total Dataset Mortality Table. Also, improvement scale has been changed from MP-2019 to MP-2020.
Salary rate	3% per annum

Retirement Rate

Attained Age	Rates per 100 Participants
50	3.00
51-54	1.50
55-57	7.50
58-59	10.00

60	25.00
61-64	10.00
65	100.00

Withdrawal Rate

Attained Age	Rates per 100 Participants
25	19.50
30	18.80
35	17.68
40	15.90
45	13.42
50	9.74
55	5.18

The plan's policy in regard to the allocation of invested assets is established by the City Council. The target asset allocation policy is 50% equity investments, 45% fixed income investments, and 5% cash. The long-term expected rate of return on plan investments used in the valuation was determined using a building-block method in which the City's best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighing the City's expected future real rate of return by the target asset allocation percentage and by adding expected inflation. The City's best estimates of geometric real rates of return for each major asset class included in the plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	50%	3.6%
Fixed Income	45%	0.9%
Cash	5%	0.0%
Inflation	N/A	2.5%
Total	100%	7.0%

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Positon (b)	Net OPEB Liability (a) - (b)
Balance at 6/30/2020	$ 65,417,336	$ 17,660,414	$ 47,756,922
Changes for the year:			
Service Cost	587,134	-	587,134
Interest	4,485,797	-	4,485,797
Difference between expected and actual experience	816,245	-	816,245
Plan benefit changes	(29,284,676)		(29,284,676)
Changes of assumptions	-	-	-
Contributions - employer	-	4,998,413	(4,998,413)
Benefit payments	(2,588,413)	(2,588,413)	-
Net investment income	-	3,828,049	(3,828,049)
Administrative expense	-	(92,803)	92,803
Net changes	(25,983,913)	6,145,246	(32,129,159)
Balance at 6/30/2021	$ 39,433,423	$ 23,805,660	$ 15,627,763

Sensitivity of the Total Pension Liability to Changes in the Discount and Trend Rates

The following presents the net OPEB liability of the City, calculated using the discount rate of 7%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1 % Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Net OPEB Liability	$ 19,337,001	$ 15,627,763	$ 12,427,052

The following presents the net OPEB liability of the City, calculated using the trend rates of 7%, as well as what the City's net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rates:

	1 % Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Net OPEB Liability	$ 13,535,852	$ 15,627,763	$ 17,849,716

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended September 30, 2021, the City recognized expense of ($1,496,468).

At September 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Schedule of Outflows and Inflows - Current and Future Expense

Due to Liabilities:	Recognition Period (or Amortization yrs)	Total Remaining (Inflow) or Outflow of Resources	2021 Recognized in current OPEB expense	Deferred (Inflow)/Outflow in future expense
2018 Change in actuarial experience	1.3900	$ (454,964)	$ (327,313)	$ (127,651)
2018-2021 Net difference in projected and actual earnings on OPEB plan investments	5.0000	(2,015,588)	(367,943)	(1,647,645)
2020 Change in assumptions	2.9400	(885,602)	(301,225)	(584,377)
2021 Change in plan benefits	3.6500	(29,284,676)	(8,023,199)	(21,261,477)
			$ (9,019,680)	$ (23,621,150)

Due to Assets:				
2019 Difference between expected and actuarial experience	2.2000	4,588,813	2,085,824	2,502,989
2020 Difference between expected and actuarial experience	2.9400	4,166,553	1,417,195	2,749,358
2021 Difference between expected and actuarial experience	3.6500	816,245	223,629	592,616
			$ 3,726,648	$ 5,844,963
Total				$ (17,776,187)

$750,000 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the year ended September 30,	Net deferred outflows (inflows) of resources
2022	$ (5,093,370)
2023	(6,731,094)
2024	(5,459,948)
2025	(491,775)
2026	-
Thereafter	-
Total	$(17,776,187)

Deferred Outflows and Inflows of Resources Related to Pensions and OPEBs

	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit	Total Deferred Outflows and Inflows
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension contributions	3,955,241	510,848	4,466,089	34,709	4,500,798
Deferred Net OPEB contributions	654,375	91,125	745,500	4,500	750,000
Deferred Total OPEB contributions - SDBF	35,379	4,569	39,948	311	40,259
Deferred assumption changes - pension	46,277	5,977	52,254	407	52,661
Deferred assumption changes - SDBF	362,451	46,812	409,263	3,176	412,439
Deferred actuarial experience - pension	1,962,583	253,483	2,216,066	17,224	2,233,290
Deferred actuarial experience - net OPEB	5,099,730	710,163	5,809,893	35,070	5,844,963
Deferred actuarial experience - SDBF	91,482	11,815	103,297	802	104,099
	12,207,518	1,634,792	13,842,310	96,199	13,938,509
DEFERRED INFLOWS OF RESOURCES					
Deferred assumption changes - pension	63,867	8,249	72,116	560	72,676
Deferred assumption changes - net OPEB	509,869	71,002	580,871	3,506	584,377
Deferred assumption changes - SDBF	44,814	5,787	50,601	393	50,994
Deferred investment gains - pension	4,197,118	542,089	4,739,207	36,834	4,776,041
Deferred investment gains - net OPEB	1,437,570	200,189	1,637,759	9,886	1,647,645
Deferred changes in plan benefits - net OPEB	18,550,639	2,583,269	21,133,908	127,569	21,261,477
Deferred actuarial experience - pension	358,687	46,328	405,015	3,148	408,163
Deferred actuarial experience - net OPEB	111,376	15,509	126,885	766	127,651
Deferred actuarial experience - SDBF	132,858	17,159	150,017	1,164	151,181
	25,406,798	3,489,581	28,896,379	183,826	29,080,205
LIABILITIES					
Net pension liability	16,817,706	2,172,129	18,989,835	147,589	19,137,424
Net OPEB liability	13,635,223	1,898,773	15,533,996	93,767	15,627,763
Total OPEB liability - SDBF	1,436,646	185,548	1,622,194	12,588	1,634,782
	31,889,575	4,256,450	36,146,025	253,944	36,399,969

The City recognized combined OPEB expense for the City's two OPEB plans of $(1,329,868)

Immediately following the notes, the schedule of funding progress is presented for the Texas Municipal Retirement System plan along with Retiree Health Insurance Other Postemployment Benefits plan.

L. Commitments and Contingencies

Various claims and lawsuits are pending against the City. In the opinion of the City's management, the potential loss on all claims, if any, will not be material to the City's financial statements.

Audits of Grant Activities

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state grantor agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be material to the City's financial statements.

General Equipment Commitments as of September 30, 2021 are as follows:

The City has entered into a general equipment commitment for Public Safety equipment. This lease agreement was entered into June 27, 2012. The amount of the equipment purchased was $2,073,235 to be repaid over a ten-year period at an interest rate of 3.53%. Annual payments subject to annual appropriation are to occur over the next two years as follows:

Fiscal Year	Annual Payment	Interest	Principal	Remaining Principal
2022	241,153	16,165	224,988	232,932
2023	241,153	8,221	232,932	-
TOTAL	$ 482,306	$ 24,386	$ 457,920	

M. Contracts with Other Governmental Entities and Other Contracts

Water Supply

Raw water is supplied to the City through a contract between the City and the Tarrant Regional Water District (TRWD). The basic contract, which was renegotiated and approved by the TRWD and the City Council on September 10, 1979, provides for a contract period to run for the life of the bonds, which were issued by the TRWD to provide water to the City and thereafter for the life of the TRWD facilities serving the City. Water is provided to the City from the TRWD Cedar Creek Lake and Richland-Tehuacanna Reservoir. Under the contract, the City has a take-or-pay gallon requirement based on the greater of 1.3 million gallons or the average daily consumption for the previous five-year period. The rate to be charged to the City for raw water is based upon the TRWD cost of debt service, operation and maintenance expenses, and any other miscellaneous expenses in connection with its water supply facilities. These costs will be allocated on a proportionate share based upon actual water consumption of the City in relation to the actual use by the City of Fort Worth and the Trinity River Authority (TRA) after crediting the amount received by the TRWD from water sales to the City of Arlington and other customers. The current rate charged for raw water has been calculated to be $1.25448 per 1,000 gallons, with a total cost of $5,773,974 during fiscal year 2021. It is estimated that the raw water supply available to the City under the contract is adequate for the ultimate development of the City.

In addition, the City has a contract with the City of Arlington to purchase treated water up to 1.0 M.G.D. on a demand basis. The City has the option to renegotiate the Arlington water purchase contract on an as-needed basis.

Sewer Treatment

On August 23, 1974, the City Council approved a contract with the TRA to become a contracting party in the TRA's Central Regional Wastewater System, along with 19 other area cities and the Dallas/Fort Worth International Airport.

The contracting parties have agreed to pay the TRA its net cost of operation and maintenance, including debt service requirements, on the Central System. Payments made by the respective cities are pursuant to authority granted by Article 1109i, Vernon's Annotated Texas Civil Statutes, as amended, and Chapter 30, Texas Water Code, as amended, and constitute operating expenses of their waterworks and sewer systems.

The expense of operating TRA's Central System, including administrative overhead and amounts necessary to pay debt service, is paid monthly by the contracting parties based on a formula of dividing each contracting party's estimated contributing flow to the Central System for such year by the total estimated contributing flow by all contracting parties being served at the beginning of each such year, with a year-end

adjustment based on actual metered contributing flow to the Central System by all contracting parties. For fiscal year 2021, the City's cost for sewer treatment under the contract was $7,495,832.

Mansfield National Golf Club

In June 1999, the City entered into an agreement with MPFDC and Evergreen Alliance Golf Limited, L.P., a Delaware limited partnership, to construct an 18-hole golf course. The agreement named the property on which the course was constructed: Mansfield National Golf Club. Mansfield National Golf Club was constructed by Evergreen Alliance Golf Limited, L.P. (Alliance) during FY99 and FY00 on property owned by MPFDC in the City. The Mansfield National Golf Club opened in November 2000. During the course of the construction, Alliance assumed the financial obligation and risk of constructing the course on the MPFDC property. Upon completion of the construction of Mansfield National Golf Club, a long-term lease agreement was entered into by the MPFDC and Alliance to manage and operate the course for a period of 50 years. In the agreement, Alliance agreed to pay the MPFDC a Base Rent for occupying the property during the term of the Lease. The following summarizes the terms of the base rent:

Lease years 01 through and including 10:	$ 0.00	per lease year
Lease years 11 through and including 20:	$ 50,000	per lease year
Lease years 21 through and including 30:	$ 100,000	per lease year
Lease years 31 through and including 40:	$ 125,000	per lease year
Lease years 41 through and including 50:	$ 175,000	per lease year

The value of the improvements made to the property, subject to and reserving the leasehold rights of Alliance as defined by the agreement, became the vested rights of MPFDC and subsequently the vested rights of the City. The rights of the value of improvements have been used as collateral for financing the cost of constructing the improvements. The improvements or rights of the value of the improvement are not carried or recognized as an asset by the MPFDC. However, upon the dissolution of the lease agreement, the rights of the value of the improvements are to be recognized as an asset by the MPFDC. The MPFDC has the right of first refusal and the authority to approve or disapprove future assignments of the rights made by Alliance. In the event Alliance becomes insolvent, certain remedies are permitted by the agreement and in no circumstance is the MPFDC obligated to or committed to Alliance's creditors.

The City is accruing a lease receivable of $90,000 per year to recognize future rental income over the term of the lease on a straight-line basis. The contract provides termination rights by either party with certain legal remedies.

Evergreen Alliance Golf Limited, L.P. (Alliance), assigned 100% of the interest in the operations and maintenance lease to CF Mansfield National Arcis, LLC.

Sports Park – Big League Dreams

During fiscal year 2008, the City completed the construction of a multipurpose recreational sports park known as "Big League Dreams Mansfield Sports Park," BLDMSP. The City spent $26.4 million on the facility, which includes eight lighted theme baseball/softball fields, one multipurpose facility, open park areas, and administrative offices on a 40 acre tract of land.

The City contracted with a Texas Limited Partnership, Big League Dreams Mansfield, L.P., or BLD, to manage, operate, and maintain the park for 40 years effective upon the completion of the construction of BLDMSP. This agreement is referred to as a maintenance and operation agreement. BLD is an affiliate of Big League Dreams USA, LLC, or BLD USA, a California company, which has affiliates in several states including Texas, Arizona, and California. BLD USA also owns the intellectual rights and has a proprietary interest in the Total Image, Name and Marks, and Logo, BLD USA. The City has contracted with BLD USA to use their intellectual rights for BLDMSP through a license agreement. The term of this license agreement is concurrent to the term of the maintenance and operation agreement.

The terms of the agreement give BLD the right to operate and maintain the BLDMSP for an initial term of 30 years with the two separate options of extending the contract for 5 years in periods following the original term of 30 years. BLD is to maintain and operate the park from the use of the facility by the public. BLD is able to charge fees and is to pay for the cost of maintaining, insuring, and operating the park. For the right to maintain, insure, and operate the BLDMSP, BLD is to pay the City a minimum operating fee of $100,000 per year with escalation provisions based upon annual gross revenues achievements. The payments are to commence after a waiver period of at least 12 months.

There are provisions for the termination of this agreement in the event of well-defined circumstances of default by either the City or BLD USA. In the event of an agreed-upon default, the City or BLD has exhaustive rights to remedy or cure the default. There is no right of assignment outside the assignment to an affiliate of either entity.

Water Park – Hawaiian Falls

In fiscal year 2008, the City completed the construction and capitalized the costs of a water park. The cost of the park capitalized was $8.9 million.

To construct, operate, and maintain the water park, the City contracted with Mansfield Family Entertainment, LLC, MFE, commonly referred to as Hawaiian Falls. The term of the agreement is for a period of 40 years with two 5-year renewal options succeeding the term of 40 years. The agreement allows MFE to operate and maintain the park by leasing the water park from City. MFE has the right to charge fees to operate and maintain the park. The City granted a rent holiday or reprieve from annual lease payments for a period of 7 years. However, if the gross receipts generated from the operation of the water park exceed $2,500,000 in any year within the 7-year rent holiday, MFE is to begin paying an annual lease payment of at least 5% of gross revenues thereafter.

By agreement, MFE acknowledges the title of City in and to land constituting the premises and the real property improvements including appurtenances constructed by either party and agrees never to contest such title.

The parent company of Mansfield Family Entertainment, LLC (MFE), Horizon Family Holdings, LLC sold 100% of the interest of Horizon Family Holdings to Source Horizon, LLC. This transaction allows for the ground lease with MFE to continue without disruption.

Source Horizon, LLC replaced MFE with STORE Master Funding VIII, LLC as the leaseholder with a sublease to ProParks Management dba PPW Mansfield, LLC.

Fieldhouse

In fiscal year 2017, the City completed construction of an indoor basketball and volleyball facility. The facility has at least 90,000 square feet and has space for 8 basketball courts or 12 volleyball courts. The cost of the sports facility capitalized was $12.6 million.

To operate and maintain the basketball and volleyball facility, the City contracted with Mansfield Fieldhouse, LLC, commonly referred to as Fieldhouse. The term of the lease and operating agreement is for a period of 25 years with a first extension period of 10 years and a second extension period of 5 years. Per the lease, Fieldhouse may charge fees in order to maintain and operate the sports facility. Base rent in years 1-5 will be $300,000 per year. Base rent in years 6-25 will be equal to $500,000 per year. Beginning in year 3 of the lease, Fieldhouse will pay 10% of the Gross Revenues in addition to the base rent up to a maximum total payment of $600,000 annually. In years 4-25, Fieldhouse will pay 15% of Gross Revenues in addition to the base rent up to a maximum total rent payment of $600,000 annually. Percentage rents are waived for years 1 & 2 for ramp up of operations.

In the year of the commencement date, the City will annually accrue a lease receivable of $460,000 to recognize future rental income over the term of the lease on a straight-line basis. The contract provides termination rights by either party with certain legal remedies.

Stars Center

In September 2016, the City entered into a lease and operating agreement with DSE Hockey Centers LP to construct, develop, complete and own for public purposes an indoor recreational ice skating rink and sports center. The facility is approximately 80,000 gross square feet with two ice surfaces.

The lease and operating agreement between the City and DSE Hockey Centers LP is for a 30 year period. DSE Hockey Center, LP prepaid rent and deposits of $1,500,000 and $600,000 respectively as of September 30, 2016 and an additional deposit of $400,000 upon the occupancy of the facility. This amount will be repaid over the next 20 years. The security deposit is recognized as a liability and the prepaid rent is recognized as a deferred inflow of resources to be repaid over the period of 20 years.

The term of the lease is for 30 years and the following summarizes the base rent:

Lease years 01 through and including 05:	$ 440,000 per lease year;
Lease years 06 through and including 07:	$ 500,000 per lease year;
Lease years 08 through and including 13:	$ 600,000 per lease year;
Lease years 14:	$ 640,000 per lease year;
Lease years 15 through and including 30:	$ 660,000 per lease year;

Beginning in the fiscal year of lease commencement, the City will accrue $600,000 per year to recognize future rental income over the term of the lease on a straight-line basis. The contract provides termination rights by either party with certain legal remedies.

Mansfield Economic Development Corporation Commitments

The Mansfield Economic Development Corporation was established to promote, encourage and incentivize economic development within the City. Since its inception, the Corporation has promoted industrial and commercial development through incentive agreements that are designed to encourage existing business expansion and new business growth within the City. Since inception, the Corporation has assisted companies in making the City their home by providing economic assistance. In return, those companies have made cumulative capital investments and created jobs within the City.

In continuance of the City's economic development program, the Corporation has made additional commitments to incentivize industry over the next several years. These commitments are generally contingent upon the industry's capital investments and creation of new jobs or other criteria determined by the Corporation. The arrangements vary in amounts and allow for reimbursements for capital costs or expansion costs incurred by the industries. These commitments require stringent performance commitments by the respective industries to qualify for the incentives. To date, the Corporation has made commitments to be administered over the next several years in the amounts of $1.1 million in year 2021, $3.8 million in year 2022, and $1.2 million in year 2023. These commitments and amounts may change from year to year depending upon the performance of the industries, and their ability to meet the performance standards as established by the Corporation. In the event, the Corporation deems the industries performance insufficient, the Corporation can restructure, extend, void or recover the commitments.

N. Tax Abatements

The City of Mansfield entered into 380 agreements with local businesses under the State of Texas Local Government Code 380. Under the Local Government Code, municipalities may establish and provide for the administration of one or more programs, including programs for making loans and grants of public

money and providing personnel and services of the municipality, to promote state or local economic development and stimulate business and commercial activity in the municipality. The abatements may be granted to any business located within or promising to relocate to the City of Mansfield, Texas.

For the fiscal year ended September 30, 2021, the City of Mansfield, Texas abated property and sales taxes totaling $757,588 under this program, including the following tax abatement agreements:

A 100% property tax abatement to a tool manufacturer for building a manufacturing center in the industrial district. The abatement amounted to $595,905.

An 80% sales tax abatement to a home builder for materials purchased within the City of Mansfield, Texas. The abatement amounted to $85,099.

An 80% sales tax abatement to a home builder for materials purchased within the City of Mansfield, Texas. The abatement amounted to $55,218.

An 80% sales tax abatement to a home builder for materials purchased within the City of Mansfield, Texas. The abatement amounted to $873.

A 50% sales tax abatement to developer for constructing a multi-family facility within the City of Mansfield, Texas. The abatement amounted to $20,493.

O. Conduit Debt Obligations

In prior years, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

There are no series of Industrial Revenue Bonds outstanding as of the fiscal year-end.

P. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's general liability and workers' compensation program is managed through the purchase of a policy through a municipal pool that is separately administered. The City's health insurance is administered through an outside provider. The City makes specified contributions for employees and their dependents under this plan. Additionally, the City also offers dental, life insurance, and accidental death and dismemberment plans through an independent provider in which the City makes specified contributions for employees only under these plans. There have been no significant reductions in insurance coverage for any of these programs since last year, and settlements have not exceeded insurance coverage for any of the past three years.

Q. Deferred Compensation Plans

The City offers all of its employees a defined contribution, deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). There are three plan options administered by Empower Retirement, Nationwide Retirement Solutions, and ICMA Retirement Trust. All assets and

income are held in trust for the exclusive benefit of participants and their beneficiaries; therefore, it is not reported in the financial statements of the City.

The plans, available to all full-time City employees, permit them to defer a portion of their salary until future years. the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Benefit provisions are contained in the plan document and were established and can be amended by the action of City Council. The City does not contribute to any of the plans.

R. Subsequent Events

On February 14, 2022 the City Council voted to call for a bond election to be held on May 7, 2022. The bond election will include five propositions totaling $155.5 million for a recreation center, parks, and trails.

S. New Accounting Pronouncements to be implemented after fiscal year 2021

In June 2017, the GASB issued Statement No. 87, Leases. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for fiscal year September 30, 2022.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for fiscal year September 30, 2022.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with

conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The primary objectives of this Statement are to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The requirements of this Statement are effective (1) for reporting periods ending after December 31, 2021 if the removal of LIBOR as an appropriate benchmark interest rate, and (2) for reporting periods ending after June 15, 2020 for all other requirements of this Statement.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for or government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

The City is in the process of evaluating the impact of these statements on its financial statements.

MANSFIELD
TEXAS

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SEPTEMBER 30, 2021

Texas Municipal Retirement System

Schedule of Changes in Net Pension Liability and Related Ratios

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
Total Pension Liability							
Service Cost	$ 5,030,515	$ 5,544,166	$ 6,096,131	$ 6,423,859	$ 6,781,902	$ 6,740,954	$ 7,964,424
Interest (on the Total Pension Liability)	7,925,143	8,685,074	9,139,426	10,061,815	10,919,655	11,894,334	12,756,277
Difference between expected and actual experience	72,552	162,133	1,967,131	863,204	2,214,327	250,026	(485,321)
Changes of assumptions	-	(670,018)	-	-	-	78,667	-
Benefit payments, including refunds of employee contributions	(2,396,267)	(2,461,495)	(2,880,319)	(4,522,769)	(5,115,537)	(5,795,914)	(7,816,442)
Net Change in Total Pension Liability	10,631,943	11,259,860	14,322,369	12,826,109	14,800,347	13,168,067	12,418,938
Total Pension Liability - Beginning	111,899,202	122,531,145	133,791,005	148,113,374	160,939,483	175,739,830	188,907,897
Total Pension Liability - Ending (a)	$ 122,531,145	$ 133,791,005	$ 148,113,374	$ 160,939,483	$ 175,739,830	$ 188,907,897	$ 201,326,835
Plan Fiduciary Net Position							
Contributions - Employer	4,469,146	4,630,258	4,818,294	5,249,682	5,679,463	5,636,312	6,668,580
Contributions - Employee	2,108,088	2,236,839	2,385,294	2,513,528	2,661,060	2,639,076	3,033,241
Net Investment Income (Loss)	5,606,309	158,951	7,585,611	17,197,200	(4,327,905)	22,158,465	12,741,845
Benefit payments, including refunds of employee contributions	(2,396,267)	(2,461,495)	(2,880,319)	(4,522,769)	(5,115,537)	(5,795,914)	(7,816,442)
Administrative Expense	(58,519)	(96,800)	(85,612)	(89,055)	(83,556)	(125,039)	(82,344)
Other	(4,811)	(4,781)	(4,613)	(4,513)	(4,365)	(3,756)	(3,213)
Net Change in Plan Fiduciary Net Position	9,723,946	4,462,972	11,818,655	20,344,073	(1,190,840)	24,509,144	14,541,667
Plan Fiduciary Net Position - Beginning	97,979,794	107,703,740	112,166,712	123,985,367	144,329,440	143,138,600	167,647,744
Plan Fiduciary Net Position - Ending (b)	107,703,740	112,166,712	123,985,367	144,329,440	143,138,600	167,647,744	182,189,411
Net Pension Liability - Ending (a-b)	$ 14,827,405	$ 21,624,293	$ 24,128,007	$ 16,610,043	$ 32,601,230	$ 21,260,153	$ 19,137,424
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.90%	83.84%	83.71%	89.68%	81.45%	88.75%	90.49%
Covered Payroll	$ 30,115,541	$ 31,954,849	$ 34,075,932	$ 35,907,541	$ 38,015,147	$ 37,701,084	$ 43,332,012
Net Position Liability as a Percentage of Covered Payroll	49.24%	67.67%	70.81%	46.26%	85.76%	56.39%	44.16%

Note: GASB 68 requires 10 years of data to be provided in this schedule. As of September 30, 2021, only 7 years are included and additional years will be added as the information becomes available.

Schedule of Contributions
Last 10 Years (will ultimately be displayed)

	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Actuarially Determined Contributions	$ 6,495,583	$ 6,393,535	$ 5,672,743	$ 5,648,240	$ 5,155,157	$ 5,048,183
Contributions in relation to the actuarially determined contribution	6,495,583	6,393,535	5,672,743	5,648,240	5,155,157	5,048,183
Contribution deficiency (excess)	-	-	-	-	-	-
Covered Payroll	$ 40,588,706	$ 41,396,691	$ 37,574,173	$ 37,541,117	$ 35,161,865	$ 35,121,057
Contributions as a Percentage of Covered Payroll	16.00%	15.44%	15.10%	15.05%	14.66%	14.37%

Note: GASB 68 requires 10 years of data to be provided in this schedule. As of September 30, 2021, only 6 years are included and additional years will be added as the information becomes available.

Notes to Schedule of Contributions

Valuation Date:

Notes: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions used to determine Contribution Rates:

Actuarial Cost Method Entry:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	25 years
Asset Valuation Method:	10 Year smoothed market; 15% soft corridor
Inflation:	2.5%
Salary Increases:	3.50% to 11.5% including inflation
Investment Rate of Return:	6.75%
Retirement Age:	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality:	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes: There were no benefit changes during the year.

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SEPTEMBER 30, 2021

Texas Municipal Retirement System - Supplemental Death Benefits

Schedule of Changes in Total OPEB Liability and Related Ratios - SDBF

	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
Total OPEB Liability - SDBF				
Changes for the year:				
Service Cost	$ 46,680	$ 57,023	$ 49,011	$ 77,998
Interest	33,578	34,935	44,513	36,029
Difference between expected and actual experience	-	145,354	(203,949)	14,866
Changes in assumptions or other inputs	89,076	(81,348)	214,351	239,091
Benefit payments*	(7,182)	(7,603)	(7,540)	(8,666)
Net changes	162,152	148,361	96,386	359,318
Total OPEB Liability - SDBF - Beginning	868,565	1,030,717	1,179,078	1,275,464
Total OPEB Liability - SDBF - Ending	$ 1,030,717	$ 1,179,078	$ 1,275,464	$ 1,634,782
Covered Payroll	35,907,541	38,015,147	37,701,084	43,332,012
Total OPEB Liability - SDBF as a Percentage of Covered Payroll	2.87%	3.10%	3.38%	3.77%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of Septerber 30, 2021, only 4 years are included and additional years will be added as the information becomes available.

Scedule of Contributions - SDBF
Last 10 Years (will ultimately be displayed)

	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021
Actuarially Determined Contribution	$ 57,222	$ 56,361	$ 65,265	$ 59,191
Contributions in relation to the actuarially determined contribution	57,222	56,361	65,265	59,191
Contribution deficiency (excess)	-	-	-	-
Covered Payroll	$ 37,541,117	$ 37,574,173	$ 41,396,691	$ 40,588,706
Contributions as a Percentage of Covered Employee Payroll	0.15%	0.15%	0.16%	0.14%

Note: GASB 75 requires 10 years of data to be provided in this schedule, As of September 30, 2021, only 4 years are included and additional years will be added as the information becomes available.

Notes to Schedule of Contributions

Valuation Date:

Notes:	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Summary of Actuarial Assumptions:

Inflation:	2.5%
Salary Increases:	3.50% to 11.5% including inflation
Discount Rate:	2.00%*
Retirees' Share of Benefit-Related Costs:	$0
Administrative Expenses:	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality Rates – Service Retirees:	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on fully generational basis with scale UMP.
Mortality Rates – Disabled Retirees:	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who became disabled for males and females, respectively. The rates are projected on a fully generational basis with scale UMP to account for future mortality improvements subject to the floor.

Other Information:

Notes	No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

Note: The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Discount Rate - SDBF

Last 10 Years (will ultimately be displayed)

	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
Discount Rate	3.31%	3.71%	2.75%	2.00%

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SEPTEMBER 30, 2021

Retiree Health Insurance Plan - Trust

Schedule of Changes in the City's Net OPEB Liability
Last 10 Fiscal Years (will ultimately be displayed)

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Total OPEB Liability				
Service Cost	$ 532,526	$ 568,220	$ 607,995	$ 587,134
Interest (on the total OPEB liability)	3,214,381	3,333,223	4,048,664	4,485,797
Difference between expected and actual experience	(1,436,903)	8,760,461	5,583,748	816,245
Changes in assumptions	-	-	(1,186,827)	-
Plan benefit changes	-	-	-	(29,284,676)
Benefit payments	(353,235)	(2,441,311)	(2,628,940)	(2,588,413)
Net Change	1,956,769	10,220,593	6,424,640	(25,983,913)
Total OPEB liability - beginning	46,815,334	48,772,103	58,992,696	65,417,336
Total OPEB liability - ending (a)	48,772,103	58,992,696	65,417,336	39,433,423
Net Postion				
City contributions	1,848,035	7,261,311	2,628,940	4,998,413
Net investment income	571,467	959,456	764,088	3,828,049
Benefit payments	(353,235)	(2,441,311)	(2,628,940)	(2,588,413)
Administrative Expense	(56,673)	(66,652)	(80,301)	(92,803)
Net Change	2,009,594	5,712,804	683,787	6,145,246
Net position - beginning	9,254,229	11,263,823	16,976,627	17,660,414
Net position - ending (b)	11,263,823	16,976,627	17,660,414	23,805,660
Net OPEB Liability (a-b)	37,508,280	42,016,069	47,756,922	15,627,763
Net Position as a percentage of total OPEB Liability	23.1%	28.8%	27.0%	60.4%
Covered payroll	$ 36,940,838	$ 37,717,964	$ 40,045,739	$ 41,363,692
Net OPEB liability as a percentage of covered payroll	101.5%	111.4%	119.3%	39.0%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2021, only 4 years are included and additional years will be added as the information becomes available.

Note: The City amended this plan in fiscal year 2021 resulting in a decrease in the net OPEB liability at year end and resulting in a deferred inflow of resources - plan benefit changes. The change requires all retirees and their spouses on the health insurance plan, upon turning 65, must obtain medical coverage through Medicare. The City provides a monthly allowance to offset the cost of Medicare for retirees and their spouses over the age of 65.

Schedule of Contributions
Last 10 Fiscal Years (will ultimately be displayed)

	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021
Actual contributions paid into plan trust	$ 1,494,800	$ 4,820,000	$ 2,410,000	$ 750,000
Contributions in relation to the actuarially determined contribution	1,494,800	4,820,000	2,410,000	750,000
Contribution deficiency (excess)	-	-	-	-
Covered Payroll	$ 36,940,838	$ 37,717,964	$ 41,396,691	$ 40,588,706
Contributions as a Percentage of Covered Employee Payroll	4.05%	12.78%	5.82%	1.85%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2021, only 4 years are included and additional years will be added as the information becomes available.

The NOL in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Actuarial method	Entry Age Normal
Discount rate	7.0% per annum. The plan is funded in an irrevocable trust maintained by the plan sponsor. The City has, on average, made contributions the last five years that, if continued in this fashion, the plan will always be sufficiently funded to pay benefits due.
Inflation	2.5% per annum
Mortality	RPI-2012 Total Dataset Mortality Table with Improvement Scale MP-2020.
Marriage Assumptions	3-year spouse age difference with females assumed 3 years younger than males. 25% of participants eligible for future post-employment benefits are assumed to have an eligible spouse electing to receive plan benefits. For retired members, we have used actual marital status, as provided, and assumed all such spouses are receiving plan benefits.
Health-care cost trend rates	7% in year 1 graded downward ½% per year to 4.5% in year 6 & later
Post-65 premium reductions	The City requires retirees and their spouses (if applicable) to enroll in a Medicare plan and the City will reimburse 100% of the premium costs.
Assumed utilization	75% of eligible future retirees are assumed to elect plan benefits
Changes in assumptions	We have changed the mortality table from the PPI-2012 Mortality Table to the MP-2020 Total Dataset Mortality Table per external auditors" request. We have also changed the mortality table improvement scale from MP-2019 to MP-2020.

Retirement Rate

Attained Age	Rates per 100 Participants
50	3.00
51-54	1.50
55-57	7.50
58-59	10.00
60	25.00
61-64	10.00
65	100.00

Withdrawal Rate

Attained Age	Rates per 100 Participants
25	19.50
30	18.80
35	17.68
40	15.90
45	13.42
50	9.74
55	5.18

Other Information:

Notes Assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Required Supplementary Information - Unaudited

City of Mansfield, Texas
Schedule of Investment Returns - OPEB
Last 10 Years*

Plan Year	Annual Money - Weighted Rate of Return
2017	5.10%
2018	6.50%
2019	4.00%
2020	19.80%

* The information in this schedule has been determined as of the measurement date (June 30) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision, only periods for which such information is available are presented.

Required Supplementary Information - Unaudited

City of Mansfield, Texas
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Property	$ 41,077,151	$ 41,077,151	$ 38,384,332	$ (2,692,819)
Sales	13,494,430	13,494,430	16,007,829	2,513,399
Franchise	3,453,103	3,453,103	3,877,796	424,693
Mixed drink	238,831	238,831	263,242	24,411
Licenses and permits	1,931,400	1,931,400	3,491,453	1,560,053
Intergovernmental	200,905	200,905	2,162,099	1,961,194
Charges for services	5,905,427	5,905,427	6,624,582	719,155
Fines	1,255,362	1,255,362	1,216,056	(39,306)
Interest earnings	50,000	50,000	8,398	(41,602)
Contributions and donations	-	-	4,250	4,250
Miscellaneous	1,129,297	1,129,297	1,578,375	449,078
Total revenues	68,735,906	68,735,906	73,618,412	4,882,506
EXPENDITURES				
Current:				
General government	18,726,050	18,726,050	22,463,672	(3,737,622)
Public safety	39,809,601	39,809,601	39,694,000	115,601
Public works	5,272,147	5,272,147	4,447,759	824,388
Culture and recreation	4,969,215	4,969,215	4,692,466	276,749
Equipment	-	-	112,771	(112,771)
Total expenditures	68,777,013	68,777,013	71,410,668	(2,633,655)
Excess (deficiency) of revenues over (under) expenditures	(41,107)	(41,107)	2,207,744	2,248,851
OTHER FINANCING SOURCES (USES)				
Transfers in	2,295,947	2,295,947	4,976,975	2,681,028
Transfers out	(2,254,840)	(2,254,840)	(2,035,364)	219,476
Sale of city property	-	-	57,251	57,251
Total other financing sources (uses)	41,107	41,107	2,998,862	2,957,755
Net change in fund balances	-	-	5,206,606	5,206,606
Fund balances - beginning	22,187,299	22,187,299	22,187,299	-
Fund balances - ending	$ 22,187,299	$ 22,187,299	$ 27,393,905	$ 5,206,606

See accompanying notes to required supplementary information.

CITY OF MANSFIELD, TEXAS

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION – GENERAL FUND

SEPTEMBER 30, 2021

Stewardship, compliance, and accountability

Budgetary information

As set forth in the City Charter, the City Council adopts an annual budget prepared in accordance with GAAP. The City Manager may transfer part or all of any unencumbered appropriation balance among programs within a specific fund; however, any revisions that alter the total expenditures of the fund must be approved by the City Council. The City, for management purposes, adopts budgets for all funds except Special Revenue, Trust, and Capital Projects, which the use of these funds is legally restricted for a designated purpose. Legal budgets are adopted for the General Fund and the Debt Service Funds; the legal level of control is the fund level.

The City is prohibited from deficit spending as defined by the City's Charter. The City's General Fund fund balance as of September 30, 2021 is $27,393,905.

The Capital Projects are funded through the issuance of general obligation debt authorized for a specific purpose. Trust Funds are restricted by legal authorization, which created the trust.

All unused appropriations, except appropriations for capital expenditures, lapse at the close of the fiscal year to the extent they have not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation. Revenues in the general fund were more than budget by $4,882,506 and expenditures were more than budget by $2,633,655, which was offset by other financing sources, net, which were more than budget by $2,957,755.

Supplementary Information

Non-major Governmental Funds

Special Revenue Funds

- PID #1 – This fund is used to account for the public improvement assessments of the South Pointe Public Improvement District.

Other Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to be expended for particular purposes. The following funds are combined into a single column for reporting purposes.

- Grants Fund – This fund is used to account for contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.
- COPS Grant Fund – This fund is used to account for the purchase of equipment used to reduce crime and improve public safety.
- Police Fund – This fund is used to account for contributions or drug forfeitures that are restricted to expenditure for police drug enforcement or the operations of the specific activity receiving the donation.
- Mansfield Municipal Court Fund – This fund is used to account for revenues that are restricted to promote child safety awareness in the community and to provide a safe and secure courtroom environment for all court participants.
- Hotel/Motel Tax Fund – This fund is used to account for Hotel/Motel tax revenues that are restricted to expenditure for the promotion of tourism, historical preservation, and the performing arts in the City.
- Tree Mitigation Fund – This fund is used to account for revenues that are restricted to expenditure for the preservation of trees and tree replacement in the City.
- Library Fund – This fund is used to account for contributions or gifts from individuals to be used or expended for Library operations, primarily for the purchase of books.
- Animal Control – This fund is used to account for contributions to be used for special medical needs and spaying/neutering assistance for adoptable animals.
- American Rescue Plan Act Fund – This fund is used to account for American Rescue Plan Act funds to reduce the impact of COVID-19.

Debt Service Fund

Mansfield Parks Facility Development Corporation Debt Service – This fund is used to account for the principal and interest payments on the MPFDC outstanding bonds.

Capital Projects Funds

Equipment Replacement Fund – This fund is used to account for the acquisition of vehicles, machinery, and equipment for use by City departments.

Parks Construction Fund – This fund is used to account for the construction of new parks within the City.

TIRZ #2 Fund – This fund is used to account for the revitalization of the City’s Historic Downtown.

City of Mansfield, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2021

	Special Revenue			Debt Service	Capital Projects				
	Other Special Revenue Funds	Southpointe PID	Total	MPFDC Debt Service	TIRZ #2	Equipment Replacement	Parks Construction	Total	Total Nonmajor Governmental Funds
ASSETS									
Cash, cash equivalents, and investments	$ 6,969,406	$ 9,709	$ 6,979,115	$ 526,310	$ 976,999	$ 2,373,498	$ (116,947)	$ 3,233,550	$ 10,738,975
Accounts receivable, net	213,201	1,000	214,201	-	-	5,083	-	5,083	219,284
Total assets	$ 7,182,607	$ 10,709	$ 7,193,316	$ 526,310	$ 976,999	$ 2,378,581	$ (116,947)	$ 3,238,633	$ 10,958,259
LIABILITIES									
Accounts payable	$ 297,393	$ 9,709	$ 307,102	$ 4,649	$ -	$ 39,582	$ -	$ 39,582	$ 351,333
Due to other funds	-	24,582	24,582	-	1,791,139	-	-	1,791,139	1,815,721
Retainage payable	39,520	-	39,520	-	-	-	-	-	39,520
Total liabilities	336,913	34,291	371,204	4,649	1,791,139	39,582	-	1,830,721	2,206,574
DEFERRED INFLOWS OF RESOURCES									
Unavailable sales taxes	1,885,901	-	1,885,901	-	-	-	-	-	1,885,901
Total deferred inflows of resources	1,885,901	-	1,885,901	-	-	-	-	-	1,885,901
FUND BALANCES									
Restricted	4,743,508	-	4,743,508	521,661	-	2,338,999	-	2,338,999	7,604,168
Committed	216,285	-	216,285	-	-	-	-	-	216,285
Unassigned	-	(23,582)	(23,582)	-	(814,140)	-	(116,947)	(931,087)	(954,669)
Total fund balances	4,959,793	(23,582)	4,936,211	521,661	(814,140)	2,338,999	(116,947)	1,407,912	6,865,784
Total liabilities, deferred inflows of resources and fund balances	$ 7,182,607	$ 10,709	$ 7,193,316	$ 526,310	$ 976,999	$ 2,378,581	$ (116,947)	$ 3,238,633	$ 10,958,259

City of Mansfield, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	Special Revenue			Debt Service	Capital Projects				
	Other Special Revenue Funds	Southpointe PID	Total	MPFDC Debt Service	TIRZ #2	Equipment Replacement	Parks Construction	Total	Total Nonmajor Governmental Funds
REVENUES									
Property	$ -	$ -	$ -	$ -	$ 587,502	$ -	$ -	$ 587,502	$ 587,502
Sales	-	-	-	3,170,446	-	-	-	-	3,170,446
Hotel/motel	858,110	-	858,110	-	-	-	-	-	858,110
Intergovernmental	104,579	-	104,579	-	-	-	-	-	104,579
Charges for services	126,099	336,013	462,112	-	-	-	-	-	462,112
Fines	36,211	-	36,211	-	-	-	-	-	36,211
Interest earnings	929	-	929	-	-	2	-	2	931
Contributions and donations	16,146	-	16,146	-	-	-	-	-	16,146
Miscellaneous	72,648	-	72,648	-	-	74,179	-	74,179	146,827
Total revenues	1,214,722	336,013	1,550,735	3,170,446	587,502	74,181	-	661,683	5,382,864
EXPENDITURES									
Current:									
General government	515,468	347,308	862,776	-	-	279,299	-	279,299	1,142,075
Public safety	83,889	-	83,889	-	-	164,991	-	164,991	248,880
Debt service:									
Principal	-	-	-	1,855,000	-	-	-	-	1,855,000
Interest	-	-	-	1,298,358	-	-	-	-	1,298,358
Fiscal charges	-	-	-	6,241	-	-	-	-	6,241
Bond issuance cost	-	-	-	-	-	5,866	-	5,866	5,866
Capital outlay:									
Improvements other than buildings	1,200,231	-	1,200,231	-	-	-	183,253	183,253	1,383,484
Equipment	30,843	-	30,843	-	-	3,631,796	-	3,631,796	3,662,639
Total expenditures	1,830,431	347,308	2,177,739	3,159,599	-	4,081,952	183,253	4,265,205	9,602,543
Excess (deficiency) of revenues over (under) expenditures	(615,709)	(11,295)	(627,004)	10,847	587,502	(4,007,771)	(183,253)	(3,603,522)	(4,219,679)
OTHER FINANCING SOURCES (USES)									
Transfers in:									
Transfers in	-	-	-	-	-	1,650,422	-	1,650,422	1,650,422
Transfers out:									
Transfers out	-	-	-	-	(1,791,139)	-	-	(1,791,139)	(1,791,139)
Sale of city property	-	-	-	-	-	43,234	-	43,234	43,234
Bonds issued	-	-	-	-	-	383,158	-	383,158	383,158
Premium on bonds issued	-	-	-	-	-	22,708	-	22,708	22,708
Total other financing sources	-	-	-	-	(1,791,139)	2,099,522	-	308,383	308,383
Net change in fund balances	(615,709)	(11,295)	(627,004)	10,847	(1,203,637)	(1,908,249)	(183,253)	(3,295,139)	(3,911,296)
Fund balances beginning	5,575,502	(12,287)	5,563,215	510,814	389,497	4,247,248	66,306	4,703,051	10,777,080
Fund balances ending	$ 4,959,793	$ (23,582)	$ 4,936,211	$ 521,661	$ (814,140)	$ 2,338,999	$ (116,947)	$ 1,407,912	$ 6,865,784

Required Supplementary Information

City of Mansfield, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual
Debt Service Fund
For the Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive Negative
	Original	Final	Actual Amounts	
REVENUES				
Property taxes	$ 16,482,315	$ 16,482,315	$ 17,888,309	$ 1,405,994
Interest earnings	-	-	154	154
Miscellaneous	-	-	16,215	16,215
Total revenues	16,482,315	16,482,315	17,904,678	1,422,363
EXPENDITURES				
Debt service:				
Principal	10,710,000	10,710,000	10,660,000	50,000
Interest	5,772,315	5,772,315	5,758,778	13,537
Fiscal charges	-	-	21,921	(21,921)
Total expenditures	16,482,315	16,482,315	16,440,699	41,616
Excess of revenues over expenditures	-	-	1,463,979	1,463,979
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	12,113	12,113
Total other financing sources (uses)	-	-	12,113	12,113
Net changes in fund balance	-	-	1,476,092	1,476,092
Fund balances beginning	3,888,921	3,888,921	3,888,921	-
Fund balances ending	$ 3,888,921	$ 3,888,921	$ 5,365,013	$ 1,476,092

Required Supplementary Information

City of Mansfield, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual
Mansfield Parks Facilities Development Corporation Debt Service Fund
For the Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Sales taxes	$ 3,153,358	$ 3,153,358	$ 3,170,446	$ 17,088
Total revenues	3,153,358	3,153,358	3,170,446	17,088
EXPENDITURES				
Debt service:				
Principal	1,855,000	1,855,000	1,855,000	-
Interest	1,298,358	1,298,358	1,298,358	-
Fiscal charges	-	-	6,241	(6,241)
Total expenditures	3,153,358	3,153,358	3,159,599	(6,241)
Excess (deficiency) of revenues over (under) expenditures	-	-	10,847	10,847
Fund balances beginning	510,814	510,814	510,814	-
Fund balances ending	$ 510,814	$ 510,814	$ 521,661	$ 10,847

MANSFIELD ECONOMIC DEVELOPMENT CORPORATION

City of Mansfield, Texas
Balance Sheet
Mansfield Economic Development Corporation
As of September 30, 2021

ASSETS		
Cash and investments	$	8,055,776
Receivables (net of allowance for uncollectibles)		1,477,847
Restricted cash and investments		1,162,385
Total assets	$	10,696,008
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	$	16,161
Accrued liabilities		36,323
Total liabilities		52,484
DEFERRED INFLOWS OF RESOURCES		
Unavailable sales taxes	$	817,695
Total deferred inflows of resources		817,695
Fund balances:		
Reserved for capital projects	$	1,162,385
Unreserved, undesignated		8,663,444
Total fund balances		9,825,829
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		36,758,068
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		817,695
Deferred outflows of resources represent a consumption of new position that applies to future periods and will not be recognized as an outflow until then. Deferred outflows are deferred pensions and OPEB contributions, deferred charges on refunding, deferred assumption changes, and deferred actuarial experience		161,020
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		(22,834,524)
Deferred inflows of resources represent a return of net position that applies to future periods and will not be recognized as an inflow until then. Deferred inflows are deferred assumption changes, deferred investment gains, deferred plan changes and deferred actuarial experience.		(183,826)
Net position of governmental activities	$	24,544,262

City of Mansfield, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Mansfield Economic Development Corporation
September 30, 2021

REVENUES		
Sales taxes	$	8,003,914
Interest		1,565
Miscellaneous		6,181,329
Total revenues		14,186,808
EXPENDITURES		
Current:		
Administration		4,386,149
Projects		6,670
Debt service:		
Principal		1,795,000
Interest		868,484
Bond issuance cost		2,674
Capital outlay		7,090,638
Total expenditures		14,149,615
Excess of revenues over expenditures		37,193
Fund balance beginning		9,788,636
Fund balance ending	$	9,825,829

City of Mansfield, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
Mansfield Economic Development Corporation
to the Statement of Activities
For the Year Ended September 30, 2021

Amounts reported for the MEDC in the statement of activities are different because:

Net change in fund balances MEDC	$	37,193
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		7,085,370
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		107,821
Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow until then. Deferred outflows are deferred pension contributions, deferred OPEB contributions, deferred investment losses, deferred assumption changes, deferred actuarial experience, and deferred loss on refunding		56,351
The issuance of long-term debt (e.g., bonds, leases), if any, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the treatment of long-term debt and related items. Also, included is net pension liability, net OPEB liability, and total OPEB liability.		1,908,265
Deferred inflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an inflow until then. Deferred inflows are deferred assumption changes, deferred investment gains and deferred actuarial experience.		(137,267)
Changes in net position of governmental activities	$	9,057,733

CITY OF MANSFIELD, TEXAS

STATISTICAL SECTION

SEPTEMBER 30, 2021

The statistical section of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends Page 108– 114

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity Page 115 – 118

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales tax revenues.

Debt Capacity Page 119 – 123

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information Page 124 – 125

These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.

Operating Information Page 126 – 128

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services that the City provides and the activities it performs.

City of Mansfield, Texas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	$ 225,017	$ 211,270	$ 210,130	$ 221,995	$ 230,900	$ 238,473	$ 247,102	$ 255,293	$ 291,726	$ 331,888
Restricted	490	15,520	29,294	33,782	36,146	32,960	36,286	37,150	27,154	25,503
Unrestricted	9,275	7,967	8,589	1,555	1,906	1,405	(20,591)	(25,556)	(25,826)	(14,797)
Total governmental activities net position	$ 234,782	$ 234,757	$ 248,013	$ 257,332	$ 268,952	$ 272,838	$ 262,797	$ 266,887	$ 293,054	$ 342,594
Business-type activities:										
Net investment in capital assets	$ 115,837	$ 105,677	$ 119,190	$ 132,273	$ 135,623	$ 144,313	$ 155,722	$ 164,254	$ 186,574	$ 204,649
Restricted	4,320	18,108	12,548	12,817	16,516	12,842	13,198	13,690	16,048	13,619
Unrestricted	20,683	24,992	21,833	13,375	18,249	23,136	16,396	20,114	17,735	21,515
Total business-type activities net position	$ 140,840	$ 148,777	$ 153,571	$ 158,465	$ 170,388	$ 180,291	$ 185,316	$ 198,058	$ 220,357	$ 239,782
Primary government:										
Net investment in capital assets	$ 340,854	$ 316,947	$ 329,320	$ 354,268	$ 366,523	$ 382,786	$ 402,824	$ 419,547	$ 478,300	$ 536,537
Restricted	4,810	33,628	41,842	46,599	52,662	45,802	49,484	50,840	43,202	39,121
Unrestricted	29,958	32,959	30,422	14,930	20,155	24,541	(4,195)	(5,442)	(8,091)	6,718
Total primary government net position	$ 375,622	$ 383,534	$ 401,584	$ 415,797	$ 439,340	$ 453,129	$ 448,113	$ 464,945	$ 513,411	$ 582,376

City of Mansfield, Texas
Changes in Net Position of Governmental and Business Type Activities
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	$ 6,686	$ 8,397	$ 10,759	$ 11,647	$ 11,753	$ 14,433	$ 18,218	$ 19,298	$ 23,087	$ 24,895
Public safety	22,640	24,725	26,458	28,058	30,909	31,997	34,407	40,253	44,183	39,918
Public works	15,115	14,852	13,682	13,765	15,017	15,237	15,647	20,481	17,310	17,537
Culture and recreation	8,488	8,281	8,529	8,268	9,500	10,348	10,105	12,249	11,983	11,954
Interest on long-term debt	4,461	4,317	4,505	4,844	5,345	6,345	6,568	6,904	7,053	6,676
Total governmental activities expenses	$ 57,390	$ 60,572	$ 63,933	$ 66,582	$ 72,524	$ 78,360	$ 84,945	$ 99,185	$ 103,616	$ 100,981
Business-type activities:										
Water	14,441	15,838	17,308	17,431	18,394	19,714	21,169	21,020	22,512	21,972
Sewer	6,112	4,913	5,730	6,120	6,915	6,935	7,984	8,834	8,450	8,657
Law enforcement center	8,712	9,836	10,070	10,357	10,882	11,886	11,510	7,479	5,266	13
Drainage	752	1,103	1,371	1,150	1,155	1,210	1,341	1,381	1,491	1,835
Total business-type activities expenses	30,017	31,690	34,479	35,058	37,346	39,745	42,004	38,714	37,719	32,477
Total primary government expenses	$ 87,407	$ 92,262	$ 98,412	$ 101,640	$ 109,870	$ 118,105	$ 126,949	$ 137,899	$ 141,335	$ 133,458
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 4,627	$ 4,993	$ 4,712	$ 5,104	$ 5,681	$ 5,485	$ 6,553	$ 7,130	$ 8,390	$ 9,922
Public safety	2,394	2,789	3,278	3,606	3,325	3,547	3,408	3,528	3,349	3,369
Public works	1,610	2,216	4,369	3,216	3,051	2,792	4,403	2,805	4,911	4,269
Culture and recreation	1,188	1,552	1,935	2,318	2,030	1,938	2,675	2,954	3,980	3,717
Operating grants and contributions	442	187	348	557	767	744	538	365	3,645	6,292
Capital grants and contributions	539	245	11,962	13,380	8,236	3,358	12,139	9,191	19,569	29,276
Total governmental activities program revenues	10,800	11,982	26,604	28,181	23,090	17,864	29,716	25,973	43,844	56,845
Business-type activities:										
Charges for services:										
Water	17,437	19,577	18,365	20,287	22,178	23,611	27,275	25,052	28,605	28,834
Sewer	8,220	8,601	9,267	9,790	10,864	11,533	12,581	12,806	13,339	13,365
Law enforcement center	8,025	9,322	10,114	9,577	10,422	11,450	12,915	7,114	6,020	13
Drainage	2,079	1,302	1,310	1,310	2,289	2,494	2,557	2,632	2,611	2,664
Operating grants and contributions	-	505	273	452	-	-	-	-	-	-
Capital grants and contributions	239	532	1,701	2,221	4,161	1,648	3,900	3,968	8,365	10,466
Total business-type activities program revenues	36,000	39,839	41,030	43,637	49,914	50,736	59,228	51,572	58,940	55,342
Total primary government program revenues	$ 46,800	$ 51,821	$ 67,634	$ 71,818	$ 73,004	$ 68,600	$ 88,944	$ 77,545	$ 102,784	$ 112,187

Net (expense) revenue:										
Governmental activities	$ (46,590)	$ (48,590)	$ (37,329)	$ (38,401)	$ (49,434)	$ (60,496)	$ (55,229)	$ (73,212)	$ (59,772)	$ (44,135)
Business-type activities	5,983	8,149	6,551	8,579	12,568	10,991	17,224	12,858	21,221	22,865
Total primary government net expense	$ (40,607)	$ (40,441)	$ (30,778)	$ (29,822)	$ (36,866)	$ (49,505)	$ (38,005)	$ (60,354)	$ (38,551)	$ (21,270)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 30,823	$ 31,389	$ 33,244	$ 35,307	$ 38,341	$ 41,638	$ 46,358	$ 51,393	$ 58,969	$ 58,744
Sales taxes	11,699	12,196	13,593	14,564	15,492	16,200	17,397	18,724	22,552	26,205
Franchise taxes	3,537	3,477	3,659	3,821	3,782	3,640	3,722	4,093	3,950	3,878
Mixed drink taxes	101	107	160	174	179	189	200	278	181	286
Hotel/motel taxes	508	551	651	717	754	755	746	725	546	858
Unrestricted investment earnings	16	32	24	27	114	230	600	1,119	463	17
Gas royalty income	541	788	722	24	9	238	179	157	95	158
Gain on sale of capital assets	36	250	17	(8)	1,659	(68)	17	52	-	81
Transfers	354	(226)	810	919	723	1,560	1,590	759	(819)	3,449
Total governmental activities	$ 47,615	$ 48,564	$ 52,880	$ 55,545	$ 61,053	$ 64,382	$ 70,809	$ 77,300	$ 85,937	$ 93,677
Business-type activities:										
Property taxes	571	473	-	-	-	63	-	-	-	-
Unrestricted investment earnings	24	43	22	17	80	171	386	643	258	10
Gain (loss) on sale of capital assets	-	(953)	-	-	-	-	(14)	-	-	-
Transfers	(354)	226	(810)	(919)	(723)	(1,322)	(1,590)	(759)	819	(3,449)
Total business-type activities	241	(211)	(788)	(902)	(643)	(1,088)	(1,218)	(116)	1,077	(3,439)
Total primary government	$ 47,856	$ 48,353	$ 52,092	$ 54,643	$ 60,410	$ 63,294	$ 69,591	$ 77,184	$ 87,014	$ 90,237
Change in Net Position:										
Governmental activities	$ 1,025	$ (26)	$ 15,551	$ 17,144	$ 11,619	$ 3,886	$ 15,580	$ 4,088	$ 26,165	$ 49,542
Business-type activities	6,224	7,938	5,763	7,677	11,925	9,903	16,006	12,742	22,298	19,426
Total primary government	$ 7,249	$ 7,912	$ 21,314	$ 24,821	$ 23,544	$ 13,789	$ 31,586	$ 16,830	$ 48,463	$ 68,967

City of Mansfield, Texas
Governmental Activities Tax Revenue By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Mixed Drink Tax	Hotel/Motel Tax	Total
2012	30,823	11,699	3,537	101	508	46,668
2013	31,389	12,196	3,477	107	551	47,720
2014	33,244	13,593	3,659	160	651	51,307
2015	35,307	14,564	3,821	174	717	54,583
2016	38,341	15,492	3,782	179	754	58,548
2017	41,700	16,200	3,640	189	755	62,484
2018	46,358	17,397	3,722	200	746	68,423
2019	51,393	18,724	4,093	278	725	75,213
2020	58,969	22,552	3,950	181	546	86,198
2021	58,744	26,205	3,878	286	858	89,971

City of Mansfield, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund:										
Nonspendable	$ 34	$ 10	$ -	$ -	$ 10	$ -	$ -	$ -	$ -	$ -
Assigned	650	-	-	-	-	-	-	201	-	129
Unassigned	9,887	10,594	11,657	12,020	13,067	14,476	17,029	17,208	22,187	27,265
Total general fund	$ 10,571	$ 10,604	$ 11,657	$ 12,020	$ 13,077	$ 14,476	$ 17,029	$ 17,409	$ 22,187	$ 27,394
All other governmental funds:										
Nonspendable	$ 61	$ 61	$ 61	$ 61	$ 61	$ -	$ -	$ -	$ -	$ -
Restricted	16,838	15,176	28,068	32,473	28,663	30,914	36,244	37,961	58,698	63,580
Committed	3,273	2,691	3,219	3,709	9,996	4,086	4,240	3,257	2,199	4,514
Assigned	43	51	160	165	170	181	192	97	-	-
Unassigned	-	-	-	-	-	-	(369)	(337)	(12)	(955)
Total all other governmental funds	$ 20,215	$ 17,979	$ 31,508	$ 36,408	$ 38,890	$ 35,181	$ 40,307	$ 40,978	$ 60,885	$ 67,139

City of Mansfield, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	$ 46,546	$ 47,696	$ 51,372	$ 54,495	$ 58,351	$ 62,484	$ 68,403	$ 75,127	$ 83,920	$ 87,774
Licenses and permits	2,264	1,982	1,988	2,037	2,188	1,975	2,489	2,411	2,763	3,491
Intergovernmental	387	131	302	348	688	648	414	1,792	3,850	2,267
Charges for services	3,723	4,594	4,769	5,058	5,178	5,772	8,189	7,357	9,114	9,029
Fines	1,746	2,645	2,305	2,552	2,106	1,973	1,872	1,880	1,457	1,252
Interest	16	32	24	27	113	230	600	1,119	463	17
Contributions and donations	54	56	6,546	209	79	44	114	110	70	57
Impact fees	1,267	1,777	1,935	2,291	2,164	2,495	3,285	2,950	4,835	5,506
Miscellaneous	1,365	1,299	3,728	2,294	2,420	1,487	1,165	1,105	1,527	1,943
Total revenues	$ 57,368	$ 60,212	$ 72,969	$ 69,311	$ 73,287	$ 77,108	$ 86,531	$ 93,851	$ 107,999	$ 111,337
Expenditures										
General government	5,991	7,507	10,461	11,627	11,413	12,976	16,815	17,090	20,272	23,606
Public safety	21,836	23,279	25,417	27,020	29,351	30,605	32,478	36,438	39,645	39,943
Public works	5,161	4,868	3,388	3,603	4,066	4,244	3,941	7,744	4,238	4,463
Culture and recreation	6,941	6,295	6,660	6,375	7,441	8,109	7,959	9,240	8,729	9,686
Capital outlay	10,138	13,738	18,037	21,075	38,211	39,520	24,872	18,604	16,125	14,678
Debt Service:										
Principal	7,950	7,875	8,680	8,255	15,055	9,855	10,645	11,210	11,740	12,515
Interest	4,581	4,362	4,348	4,553	6,996	6,121	6,476	7,064	7,116	7,057
Fiscal charges	600	176	154	708	17	20	13	26	118	28
Bond issuance cost	415	246	256	299	744	440	386	183	217	139
Total expenditures	63,613	68,346	77,401	83,515	113,294	111,890	103,585	107,599	108,200	112,115
Excess (deficiency) of revenues over (under) expenditures	(6,245)	(8,134)	(4,432)	(14,204)	(40,007)	(34,782)	(17,054)	(13,748)	(201)	(778)

Other Financing Sources										
Transfers-in	777	2,289	876	1,943	5,390	3,196	3,654	4,495	3,830	7,150
Transfers-out	(423)	(2,515)	(65)	(1,024)	(4,667)	(1,636)	(2,064)	(3,736)	(4,649)	(4,673)
Sale of city property	37	314	54	89	2,130	55	24	112	3	124
Operating Lease	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	10,850	7,080	6,710	11,700	17,305	-	-	-	4,475	-
Escrow for Current Refunding	-	-	-	-	-	-	-	-	(4,613)	-
Bonds issued	6,490	5,335	17,755	15,870	36,760	30,230	22,070	13,750	24,245	9,100
Premium on bonds issued	367	932	450	3,997	4,987	697	1,187	178	1,595	539
Discounts on bonds issued	(112)	(84)	(156)	(169)	(338)	(71)	(138)	-	-	-
Payment to refunded bond escrow agent	(10,185)	(7,420)	(6,610)	(12,940)	(18,025)	-	-	-	-	-
Total other financing sources (uses)	7,801	5,931	19,014	19,466	43,542	32,471	24,733	14,799	24,886	12,240
Net change in fund balances	$ 1,556	$ (2,203)	$ 14,582	$ 5,262	$ 3,535	$ (2,311)	$ 7,679	$ 1,051	$ 24,685	$ 11,461
Debt service as a percentage of non-capital expenditures	23.4%	22.4%	21.9%	20.5%	29.4%	22.1%	21.8%	20.5%	20.5%	20.1%

City of Mansfield, Texas
General Government Tax Revenue By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/Motel Tax	Mixed Drink	Total
2012	30,700	11,700	3,537	508	101	46,546
2013	31,365	12,196	3,477	551	107	47,696
2014	33,309	13,593	3,659	160	651	51,372
2015	35,219	14,564	3,821	717	174	54,495
2016	38,144	15,492	3,782	754	179	58,351
2017	41,700	16,200	3,640	755	189	62,484
2018	46,338	17,397	3,722	746	200	68,403
2019	51,307	18,724	4,093	725	278	75,127
2020	58,820	20,423	3,950	546	181	83,920
2021	58,780	23,996	3,878	858	263	87,774

City of Mansfield, Texas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended September 30	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2012	4,366,636,631	510,514,153	480,454,086	4,396,696,698	0.71
2013	4,404,361,995	640,695,688	555,442,336	4,489,615,347	0.71
2014	4,512,982,547	632,347,276	494,913,889	4,650,415,934	0.71
2015	4,766,391,748	733,418,283	542,289,028	4,957,521,003	0.71
2016	4,978,279,317	722,052,786	413,405,008	5,286,927,095	0.71
2017	5,386,325,190	940,503,204	413,190,727	5,913,637,667	0.71
2018	5,985,329,622	1,033,151,952	430,183,043	6,588,298,531	0.71
2019	6,698,937,733	1,130,303,494	798,656,803	7,030,584,424	0.71
2020	7,591,510,413	1,474,090,850	1,080,091,317	7,985,509,946	0.71
2021	8,564,130,358	1,138,207,845	1,756,917,534	7,945,420,669	0.69

Source: Tarrant Appraisal District, Johnson Appriasal District, and Ellis County Appraisal District

City of Mansfield, Texas
Property Tax Rates
Direct and Overlapping[1] Governments
Last Ten Fiscal Years

				Overlapping Rates							
	City of Mansfield, Texas			Counties[1]			School District				Total
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts	Direct and Overlapping Rates
2012	0.454	0.256	0.710	0.816	0.161	0.977	1.040	0.500	1.540	0.397	3.624
2013	0.451	0.259	0.710	0.914	0.101	1.015	1.040	0.500	1.540	0.397	3.662
2014	0.463	0.248	0.711	0.937	0.112	1.049	1.040	0.487	1.527	0.397	3.684
2015	0.471	0.239	0.710	0.943	0.107	1.050	1.040	0.487	1.527	0.377	3.664
2016	0.468	0.242	0.710	0.945	0.107	1.052	1.040	0.470	1.510	0.397	3.669
2017	0.471	0.239	0.710	1.028	0.835	1.863	1.040	0.470	1.510	0.392	4.475
2018	0.474	0.236	0.710	0.960	0.086	1.046	1.040	0.500	1.540	0.384	3.680
2019	0.485	0.225	0.710	0.933	0.082	1.015	1.040	0.500	1.540	0.380	3.645
2020	0.478	0.232	0.710	0.894	0.054	0.948	0.970	0.490	1.460	0.383	3.501
2021	0.461	0.229	0.690	0.893	0.046	0.939	0.956	0.490	1.446	0.383	3.459

[1] Overlapping rates are those of local and county governments that apply to property owners within the City of Mansfield, Texas. Not all overlapping rates apply to all City of Mansfield, Texas property owners (e.g., the rates for the special districts and counties apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district and county). The City of Mansfield, Texas is located within three separate counties, Tarrant, Johnson, and Ellis.

Source:
Tarrant County Apprasial District
Ellis County Apprasial District
Johnson County Appraisal District

City of Mansfield, Texas
Principal Property Taxpayers
As of September 30, 2021
(amounts expressed in thousands)

	2021			2012		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Mouser Electronics	$ 162,334,292	1	2.04%	72,817,679	1	1.66%
Mid-America Apartments LP	73,500,000	2	0.93%	46,700,000	2	1.06%
WMCI Dallas VIII LLC	55,100,000	3	0.69%			
WP Motg-Txmf Owner LLC	52,500,000	4	0.66%			
Evolv AL LP	51,170,000	5	0.64%			
Mansfield KDC II & III LP Etal	50,127,968	6	0.63%	33,442,997	4	0.76%
Oncor Electric Delivery Co LLC	48,323,612	7	0.61%	31,909,012	5	0.73%
Regalia Mansfield Owner LLC	47,600,000	8	0.60%			
Steadfast Villagio LP	46,000,000	9	0.58%			
BREIT Steadfast MF Mansfield TX LP	45,700,000	10	0.58%			
XTO Energy Inc				36,821,910	3	0.84%
Wal-Mart Stores Inc.				29,085,490	6	0.66%
Kroger Texas LP				26,145,902	7	0.59%
Broadstone at Lowe's Farm LLC				23,450,000	8	0.53%
Klein Tools				23,229,209	9	0.53%
Apartment Reit Towne Crossing				21,900,000	10	0.50%
Total	$ 632,355,872		7.96%	$ 345,502,199		7.86%

Source: Tarrant Appraisal District / Johnson Appraisal District

City of Mansfield, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections for Prior Years (1)	Total Collections to Date	Accumulated Deliquent Taxes	
		Amount	Percentage of Levy		Amount		Percentage of Levy
2012	31,049	30,709	98.90%	299	31,008	41	99.9%
2013	31,578	31,353	99.29%	190	31,543	35	99.9%
2014	32,910	32,698	99.36%	172	32,870	40	99.9%
2015	34,735	34,642	99.73%	64	34,706	29	99.9%
2016	37,715	37,348	99.03%	298	37,646	69	99.8%
2017	42,579	41,412	97.26%	1,122	42,534	45	99.9%
2018	46,020	45,713	99.33%	260	45,973	47	99.9%
2019	48,715	48,320	99.19%	249	48,569	146	99.7%
2020	54,720	54,350	99.32%	207	54,557	163	99.7%
2021	53,937	53,429	99.06%	-	53,429	508	99.1%

(1) - Information was not available from Tarrant Appraisal District for collections in subsequent years. Thus, the amount shown is actual delinquent property taxes collected during the fiscal year.

City of Mansfield, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

	Governmental Activities		Business-Type Activities					
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Water/Sewer Revenue Bonds	Drainage Utility Revenue Bonds	Certificate Obligation Bonds	Total Primary Government	Percentage of Personal Income[1]	Per Capita
2012	93,200	12,180	56,405	5,465	2,090	169,340	10.00%	2,945
2013	91,070	11,430	52,705	5,105	1,625	161,935	9.67%	2,848
2014	101,030	10,645	48,885	4,735	1,135	166,430	9.94%	2,928
2015[2]	119,774	9,784	45,874	4,377	1,467	181,276	9.88%	2,912
2016[2]	129,788	25,098	51,339	3,985	1,581	211,791	10.63%	3,132
2017[2]	136,095	33,170	46,155	3,970	630	220,020	10.86%	3,199
2018[2]	142,892	37,250	42,127	3,175	537	225,981	10.93%	3,220
2019[2]	144,417	37,735	37,970	2,752	487	223,361	8.22%	3,220
2020[2]	161,953	33,445	34,508	2,320	443	232,669	8.36%	3,071
2021[2]	160,577	31,590	31,100	1,877	-	225,145	7.41%	2,986

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] See the schedule of demographic and economic statistics on page 124 for personal income and population data.

[2] Amount represents total outstanding debt net of premiums, discounts and adjustments

City of Mansfield, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2012	93,200	669	92,531	2.29%	1,609
2013	91,070	596	90,474	2.10%	1,574
2014	101,030	856	100,174	2.06%	1,742
2015[1]	119,774	726	119,048	2.28%	1,913
2016[1]	129,788	483	129,305	2.24%	2,044
2017[1]	136,095	623	135,472	2.16%	2,142
2018[1]	142,892	1,289	141,603	2.37%	2,239
2019[1]	144,417	1,698	142,719	2.00%	1,944
2020[1]	161,953	3,889	158,064	2.00%	2,086
2021[1]	160,577	5,365	155,212	1.95%	2,058

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] Amount represents total outstanding debt net of premiums, discounts and adjustments

City of Mansfield, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2021
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Mansfield Independent School District	$ 853,614,839	51.65%	$ 440,892,064
Midlothian Independent School District	429,760,000	1.00%	4,297,600
Johnson County	20,140,000	5.76%	1,160,064
Ellis County	31,020,000	0.32%	99,264
Tarrant County	213,675,000	3.60%	7,692,300
Tarrant County Hospital District	14,495,000	3.60%	521,820
Tarrant County College District	255,995,000	3.60%	9,215,820
Subtotal, overlapping debt			463,878,932
City of Mansfield, Texas direct debt			192,167,247
Total direct and overlapping debt			$ 656,046,179

Sources:
FSC Disclosure Services (Division of Hilltop Securities)

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Mansfield, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

City of Mansfield, Texas
Legal Debt Margin Information
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Annual Debt Limit	$ 65,950,450	$ 67,344,230	$ 69,756,239	$ 74,362,815	$ 79,303,906	$ 88,704,565	$ 98,824,478	$ 105,458,766	$ 119,782,649	$ 119,181,310
Total net debt payment applicable to limit	13,101,663	12,957,138	13,604,515	12,115,455	12,597,832	13,876,442	14,695,211	15,185,666	15,756,312	16,482,315
Legal debt margin	$ 52,848,787	$ 54,387,092	$ 56,151,724	$ 62,247,360	$ 66,706,074	$ 74,828,123	$ 84,129,267	$ 90,273,100	$ 104,026,337	$ 102,698,995
Total net debt applicable to the limit as a percentage of debt limit	19.87%	19.24%	19.50%	16.29%	15.89%	15.64%	14.87%	14.40%	13.15%	13.83%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value	$ 7,945,420,669
Debt limit ($1.50 of assessed value)	119,181,310
Annual Debt Payments applicable to limit:	
General obligation bonds	16,482,315
Annual legal debt margin	$ 102,698,995

The City Charter of the City of Mansfield, Texas and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population limits the ad valorem tax rate to $2.50 per $100 of assessed valuation.

City of Mansfield, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

	Water and Sewer Revenue Bonds						Drainage Revenue Bonds					
Fiscal Year	Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2012	25,681,367	14,034,447	11,646,920	3,600,000	2,705,582	1.85	1,260,527	503,105	757,422	385,000	138,398	1.45
2013	28,220,877	14,288,287	13,932,590	3,700,000	2,611,729	2.21	1,807,772	797,607	1,010,165	360,000	165,670	1.92
2014	27,654,657	16,744,588	10,910,069	3,820,000	2,493,316	1.73	1,582,812	1,084,682	498,130	370,000	156,670	0.95
2015	30,093,927	17,096,059	12,997,868	4,095,000	2,183,331	2.07	1,761,901	863,088	898,813	375,000	147,370	1.72
2016	33,041,557	19,041,197	14,000,360	4,380,000	1,701,278	2.30	2,288,699	864,112	1,424,587	390,000	137,970	2.70
2017	35,144,144	20,050,464	15,093,680	4,020,000	2,039,234	2.49	2,494,146	922,507	1,571,639	400,000	128,170	2.98
2018	40,227,029	22,850,439	17,376,590	4,000,000	1,881,592	2.95	2,571,292	1,054,341	1,516,951	405,000	141,221	2.78
2019	38,477,901	23,563,181	14,914,720	3,875,000	1,711,534	2.67	2,655,137	1,083,807	1,571,330	420,000	107,770	2.98
2020	42,193,620	24,951,881	17,241,739	3,180,000	1,554,834	3.64	2,619,809	1,190,321	1,429,488	430,000	97,070	2.71
2021	42,208,569	24,115,986	18,092,583	3,300,000	1,435,871	3.82	2,664,163	1,537,234	1,126,929	440,000	79,750	2.17

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

Charges and other include investment earnings. Operating expenses do not include interest or depreciation.

City of Mansfield, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population[1]	Personal Income (amounts expressed in thousands)	Per Capita Personal Income[2]	Median Age[2]	School Enrollment[3]	Unemployment Rate[4]
2012	57,494	1,704,065	29,639	32.06	32,577	6.0
2013	60,374	1,784,305	29,554	32.30	32,732	4.9
2014	62,377	1,990,893	31,917	32.30	32,778	5.1
2015	64,688	2,064,653	31,917	32.30	33,394	5.1
2016	67,628	2,158,489	31,917	35.50	33,809	4.0
2017	68,784	2,456,809	35,718	35.20	33,809	4.5
2018	70,170	2,751,977	39,219	35.20	35,256	3.9
2019	73,410	2,717,953	37,024	36.20	35,256	3.2
2020	72,602	2,904,341	40,004	35.20	35,626	6.4
2021	75,411	3,037,781	40,283	35.10	35,524	2.2

[1]Estimated Population - City's Planning Department - The City has revised its population estimates for the previous year
[2]Mansfield Economic Development Corporation
[3]Mansfield Independent School District
[4]Texas Workforce Commission

City of Mansfield, Texas
Principal Employers
Current Year and Ten Years Ago

	2021			2012		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mansfield Independent School District	4,609	1	6.11%	4,192	1	7.29%
Mouser Electronics	2,067	2	2.74%	1,050	2	1.83%
Methodist Mansfield Medical Center	1,428	3	1.89%	735	3	1.28%
Klein Tools	733	4	0.97%	585	4	1.02%
Hoffman Cabinets	502	5	0.67%			
City of Mansfield, Texas	494	6	0.66%	505	5	0.88%
BCB Transport	435	7	0.58%			
R1	183	8	0.24%			
SJ Louis Construction	175	9	0.23%	200	9	0.35%
Conveyors, Inc.	153	10	0.20%			
Walmart				400	6	0.70%
Target				250	7	0.43%
Lifetime Fitness				200	8	0.35%
Walnut Creek Country Club				190	10	0.33%
	10,779		14.29%	8,307		14.46%

City of Mansfield, Texas
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Function										
General Government	31	31	31	31	30	30	33	31	36	29
Public Safety:										
Police	115	121	126	129	132	134	141	145	145	161
Fire	83	83	83	83	83	86	89	95	102	103
Public Works	57	57	56	55	58	58	57	56	58	58
Culture and Recreation	55	55	63	65	65	68	68	71	76	81
Water and Sewer	52	52	51	51	51	53	54	54	55	55
Law Enforcement Center	109	109	111	111	111	111	105	70	72	-
Drainage Utility	3	3	3	3	3	4	5	5	7	7
Total	505	511	524	528	533	544	552	527	551	494

Source: City Budget Office

* In September 2020, the City restructured departments to eliminate redundancy and reduced operations at the Law Enforcement Center to that of a City Jail.

City of Mansfield, Texas
Operating Indicators by Function
Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Physical arrests	2,236	1,646	2,171	2,641	2,107	2,700	1,900	2,248	2,500	2,445
Accidents	837	909	861	820	936	1,210	1,635	2,640	2,750	3,010
Traffic violations	10,537	10,571	9,926	8,500	9,086	8,019	8,105	10,756	11,500	8,800
Fire:										
Number of calls answered	7,110	7,911	8,704	8,625	9,538	9,643	9,900	10,786	10,170	10,472
Inspections	2,850	2,008	2,850	3,125	3,100	2,917	3,062	3,376	3,477	3,658
Public Works:										
Street resurfacing (miles)	2.2	2.2	2.2	2.2	2.0	4.0	5.0	5.0	6.0	5.0
Asphalt overlays (square feet)	42,971	42,971	42,971	42,980	42,000	44,805	44,805	44,805	43,383	44,805
Culture and recreation:										
Sports association participants	7,445	7,235	7,770	7,950	7,950	7,950	7,400	7,400	7,350	6,700
MAC rentals	660	540	600	700	650	650	650	650	625	600
Water:										
New connections	343	419	333	465	485	484	588	448	454	979
Water main breaks	61	66	48	48	40	55	44	43	72	54
Average daily consumption (thousands of gallons)	11,944	10,667	9,278	9,657	9,994	9,994	9,994	10,881	13,437	12,696
Sewer:										
Average daily sewage treatment (thousands of gallons)	5,984	5,450	5,156	5,964	4,818	5,302	5,550	5,995	5,661	5,950
Public Safety:										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	44	42	42	43	43	44	48	54	58	58
Fire stations	4	4	4	4	4	4	4	4	4	5

Public Works:										
Streets miles maintained	242	242	248	248	410	450	455	630	622	635
Miles of water and sewer lines	553	554	538	577	632	585	575	632	626	645
Calls for service	4,700	4,700	4,820	4,105	4,500	4,550	4,550	4,550	4,506	4,256
Culture and recreation:										
Parks acreage	738	738	830	830	858	883	892	910	917	917
Parks	13	13	14	15	16	16	17	17	18	20
Tennis courts	1	1	1	1	1	5	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	292	296	292	310	325	330	341	341	337	345
Fire hydrants	2,207	2,207	2,207	1,250	2,439	2,460	2,460	2,460	2,460	2,296
Maximum daily capacity (thousands of gallons)	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000
Sewer:										
Sanitary sewer mains (miles)	261	261	264	267	307	314	314	291	289	300
Sewer lines repairs	23	64	26	25	25	17	23	21	20	30
Maximum daily treatment capacity (thousands of gallons)	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Law Enforcement Center *:										
Average Daily Inmate Population	192	242	410	365	378	400	390	240	240	-
Average Daily Meals Served	576	726	1,230	1,095	1,134	1,200	1,200	820	250	-
Drainage Utility:										
Vegetation Control (acres)	56	56	56	56	114	114	114	114	120	120
Ditch & Channel Maintenance (miles)	11	13	13	13	13	2	2	2	2	2
Box Culverts Cleaned (feet)	10,072	10,072	10,072	10,500	10,500	40,715	55,000	60,000	65,000	70,000

Source: CityBudget Office
*LEC discontinued operations in September 2020

CITY OF MANSFIELD, TEXAS

FEDERAL FINANCIAL ASSISTANCE

MANSFIELD
TEXAS

BKD
CPAs & Advisors

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

The Honorable Mayor, City Council and City Manager
City of Mansfield, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Mansfield, Texas (City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 17, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PRAXITY
Empowering Business Globally

The Honorable Mayor, City Council and City Manager
City of Mansfield, Texas

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Dallas, Texas
March 17, 2022

BKD
CPAs & Advisors

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972.702.8262 | Fax 972.702.0673 | bkd.com

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

The Honorable Mayor, City Council and City Manager
City of Mansfield, Texas

Report on Compliance for the Major Federal Program

We have audited the City of Mansfield, Texas' (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

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The Honorable Mayor, City Council and City Manager
City of Mansfield, Texas

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Dallas, Texas
March 17, 2022

City of Mansfield, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Pass-through Expenditures
U.S. Department of Justice				
Direct Progrram				
Bulletproof Vest Partnership Program	16.607		$ 11,607	-
			11,607	-
Total U.S. Department of Justice			11,607	-
U.S. Department of the Treasury				
Passed through Tarrant County, Texas:				
Coronavirus Relief Fund	21.019	none	311,919	-
Total Passed through Tarrant, County Texas			311,919	-
Passed through Texas Department of Emergency Management:				
Coronavirus Relief Fund	21.019	none	66,828	-
Total Passed through Texas Department of Emergency Management			66,828	-
Direct Progrram				
Coronavirus State and Local Fiscal Recovery Funds	21.027		1,389,374	-
Total Direct Program			1,389,374	-
Total U.S. Department of the Treasury			1,768,121	-
Institute of Museum and Library Services				
Passed through Texas State and Library Archives Commission:				
Interlibrary Loan Program	45.310	LS-00-19-0044-19	1,589	-
Interlibrary Loan Program	45.310	LS-246193-OLS-20	2,198	-
Total Passed through Texas State and Library Archives Commission			3,787	-
Total Institute of Museum and Library Services			3,787	-
Total Expenditures of Federal Awards			$ 1,783,515	$ -

CITY OF MANSFIELD, TEXAS

NOTES ACCOUNTING POLICIES FOR FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1: GENERAL

The accompanying schedule of federal awards (Schedule) includes the federal award activity of the primary government of the City of Mansfield, Texas (City) under programs of the federal government for the year ended September 30, 2021. The City's reporting entity is defined in Note 1 in the City's basic financial statements for the year ended September 30, 2021.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

NOTE 2: BASIS OF ACCOUNTING

Governmental fund expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Proprietary fund expenses reported on the Schedule are reported on the accrual basis of accounting. The City's summary of significant accounting policies is presented in Note 1 to the City's basic financial statements for the year ended September 30, 2021. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

CITY OF MANSFIELD, TEXAS

Schedule of Findings and Questioned Costs

Year Ended September, 30, 2021

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

■ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)? ☐ Yes ■ None reported

Material weakness(es)? ☐ Yes ■ No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

☐ Yes ■ No

Federal Awards

4. The independent auditor's report on internal control over compliance for the major federal awards program disclosed:

Significant deficiency(ies)? ☐ Yes ■ None reported

Material weakness(es)? ☐ Yes ■ No

5. The opinion expressed in the independent auditor's report on compliance for the major federal award was:

■ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

☐ Yes ■ No

CITY OF MANSFIELD, TEXAS

Schedule of Findings and Questioned Costs

Year Ended September, 30, 2021

7. The City's major federal program was:

Cluster/Program	CFDA Number
Coronavirus State and Local Fiscal Recovery Funds	21.027

8. The threshold used to distinguish between Type A and Type B program was $750,000.

9. The City qualified as a low-risk auditee?

☐ Yes ■ No

CITY OF MANSFIELD, TEXAS

Schedule of Findings and Questioned Costs

Year Ended September, 30, 2021

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding

No matters are reportable.

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding

No matters are reportable.

CITY OF MANSFIELD, TEXAS

Summary Schedule of Prior Audit Findings

Year Ended September, 30, 2021

Reference Number	Finding	Status
2020-001	The City's financial statements required a prior period adjustment for proper financial statement presentation. The results of our test work indicated the City did not properly record the other postemployment benefit trust fund which is used to report assets held for beneficiaries to fund future postemployment benefits other than pensions.	Corrected

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